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 Greece... 200 Dr. Norway... 100 Nkr. U.S. 1 US\$ (See 1st Ed.)  
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**Gorbachev, Looking to G-7, Says He Won't 'Crawl' for Aid**

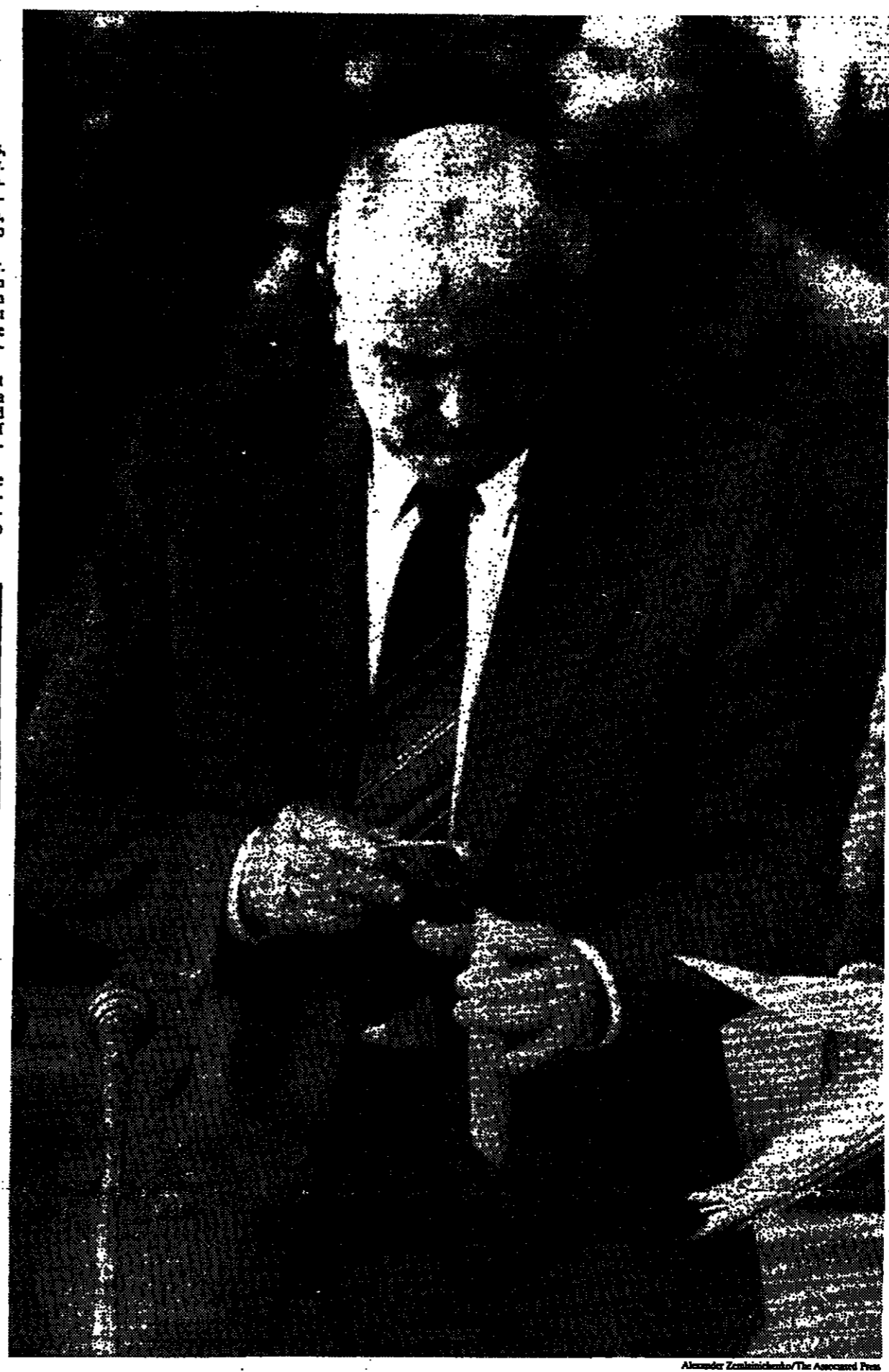
By David Remnick  
*Washington Post Service*  
**MOSCOW** — President Mikhail S. Gorbachev said Friday that while he would not beg for economic aid next week at the summit meeting of industrialized nations, he would call on the West to invest in the Soviet Union and to help Moscow retool military industries to make consumer goods.

"Some of you may think Gorbachev is going to crawl on his knees and plead for help from the leaders of the leading industrial countries," he said at a news conference. "This is just not serious."

"We realize there are no free financial resources in this world," he continued. "Our main direction will be in projects."

"This represents a change in our approach to the West," he added.

[President George Bush said Friday that a letter he received from



President Mikhail S. Gorbachev pausing Friday after answering questions from journalists about his policies.

**In G-7, Centrifugal Tensions**

By Tom Redburn  
*International Herald Tribune*  
**LONDON** — When the leaders of the seven major industrial democracies gather here starting Monday for their annual summit meeting, they are sure to issue the usual platitudes about the need for continued global cooperation.

This surface harmony, however, cannot hide the underlying tensions that are starting to pull the major powers further apart.

With the Cold War fading into history, the Soviet Union no longer poses the same threat. But without a common enemy to confront together, there is less to keep the Group of Seven nations marching in unison.

As a result, economic and political arguments that once would have been settled without major difficulty are increasingly likely to escalate.

Mr. Gorbachev had not eased all his concerns over Soviet plans for economic change, Agence France-Presse reported from Koenigsbruckport, Mainz.

[Mr. Bush said he had been fully briefed on a 23-page letter that Mr. Gorbachev sent Thursday to leaders of the seven major industrialized nations, who will meet with the Soviet president after their summit talks in London next week. "It's a fantastic letter," he said. "We've got some differences with it."

At his news conference, Mr. Gorbachev predicted success in London but was quick to mention that perhaps the most significant outcome of the session would be the fact that Moscow had participated in a G-7 meeting.

Mr. Gorbachev said the Soviet Union was moving toward a "mixed economy," one that would permit and protect "all varieties of property," including private property, a Marxist taboo.

But there is still great resistance to private property among orthodox Communists and other conservative sectors of Soviet society, so

**UN Emissary Seeks Easing Of Embargo To Help Iraq**

By Paul Lewis  
*New York Times Service*  
**BAGHDAD** — The head of a United Nations mission to Iraq called Friday for the Security Council to relax sanctions so that the country could buy food, medicine and other essential supplies, saying that otherwise it was heading for "a major catastrophe."

"Sanctions were never designed to make people suffer the way they are suffering now," Prince Sadruddin Aga Khan said at a press conference, adding, "We need to design an acceptable formula for easing them."

The Security Council's Sanctions Committee will meet in New York Monday to consider an Iraqi request to be allowed to sell about \$1 billion worth of oil on international markets to finance the humanitarian purchases.

Speaking at the end of his mission's visit to

The U.S. envoy to Iraq took a conciliatory approach to Saddam, he cables reveal. Page 2.

Iraq, Prince Sadruddin said he would present a concrete plan in Geneva on Monday under which the United Nations could relax sanctions so that Iraq got cash to pay for essential imports while simultaneously ensuring that the money was correctly spent and the goods that were bought were fairly distributed around the country.

He said that either the Security Council could allow Iraq to sell limited quantities of oil or the United States and other countries could release money from the overseas bank accounts they have blocked.

Asked about the Bush administration's contention that Iraq still has secret caches of gold and foreign currency around the world sufficient to pay for such imports, former Attorney General Elliot L. Richardson, who is a member of the UN mission, replied that Iraqi officials had assured him that this was untrue.

About \$5 billion worth of foreign Iraqi assets are now blocked.

Presenting the mission's assessment of Iraqi nutritional difficulties, Sir John Moberly, a former British ambassador to Baghdad, said low-priced government rations accounted for only a third of an average family's needs.

As a result, he said, people are being forced to buy jewelry, furniture and television sets to buy extra rations on the free market, where prices have soared since the end of the Gulf war. But many people are now running out of resources, he said.

Before the Gulf crisis, Iraq had been spending \$2 billion a year on importing 70 percent of its people's food needs. Without any money to spend on such imports now, Sir John said, there are "signs of impending famine around the country."

**U.S. Recovery Shows Lag Signs**

By Lawrence Malkin  
*International Herald Tribune*  
**NEW YORK** — The government on Friday presented unexpected evidence of sluggish growth accompanied by low inflation. Retail sales and wholesale prices actually fell last month, draining away the last dregs of euphoria on Wall Street about a zippy recovery.

The Commerce Department reported that retail sales in June declined by 0.2 percent, offsetting part of a rise in May that clearly was caused by advance demand for summer merchandise during unseasonably warm weather. The 1 percent increase originally reported for May was revised downward to 0.8 percent.

At the same time, the Labor Department's producer price index fell by 0.3 percent, led by declines in the cost of food and energy. Without these two volatile components, the core inflation rate actually rose 0.1 percent.

**Bush Approves 20 Contingency Targets in Iraq**

By Eric Schmitt  
*New York Times Service*  
**WASHINGTON** — President George Bush has approved a list of 20 Iraqi command-and-control targets that would be attacked if Baghdad refused to comply with international sanctions to destroy its nuclear technology, according to Pentagon officials.

U.S. officials quickly added that no air strikes were imminent.

Administration officials have concluded that punitive strikes on Iraqi leaders would inflict more pain on President Saddam Hussein and his high command than strikes aimed at sites where Baghdad is suspected of hiding equipment and materials used to develop nuclear or chemical weapons, a senior Pentagon official said.

The United States has several squadrons of fighter and attack planes, including about 20 F-117 Stealth fighters, left in Saudi Arabia.

The announcement of the new target list is another attempt to intimidate the Iraqi government into full compliance with the United Nations-mandated destruction or removal of its nuclear materials and biological and chemical arsenals. It also reflects a shift in thinking by senior administration officials, who in recent days have acknowledged the difficulty of striking this material, much of which can be moved easily.

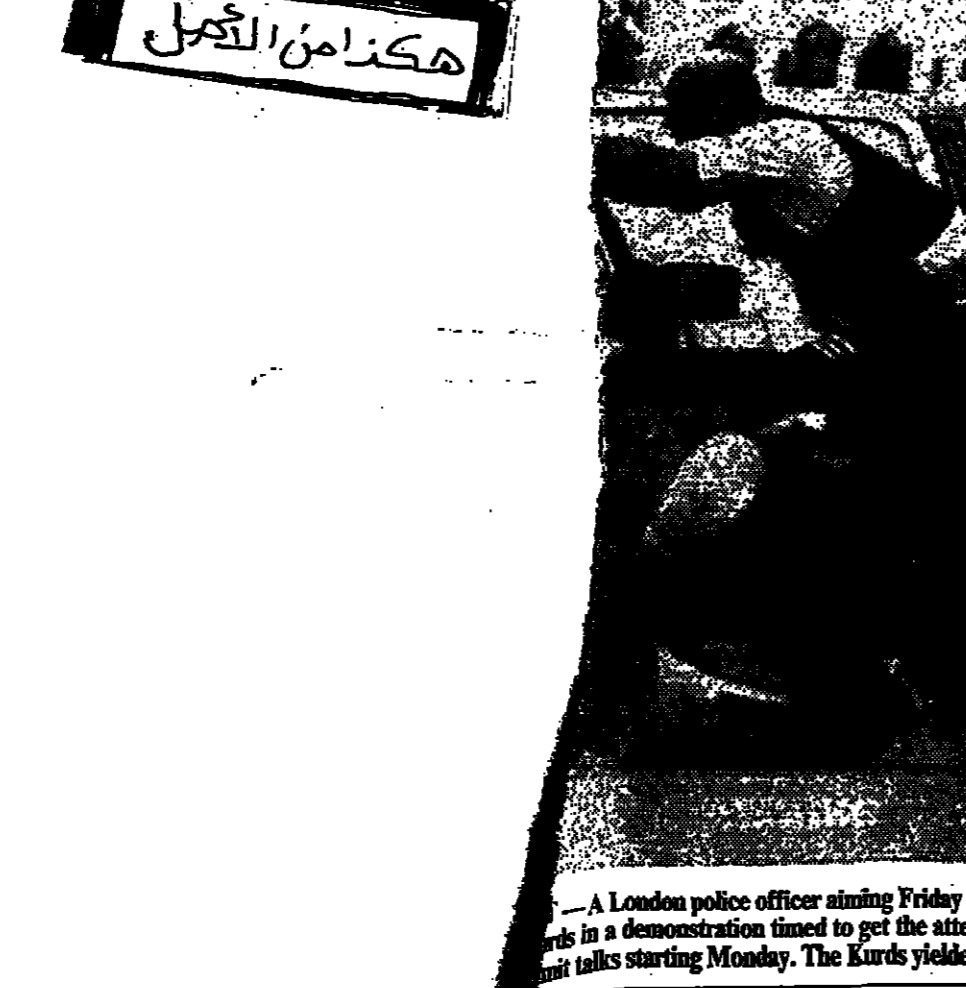
[Iraq's UN ambassador was summoned by the five permanent members of the Security Council on Friday and told to provide a full disclosure of Iraqi nuclear materials in two weeks or face serious consequences, diplomats told Reuters in New York.

[The sources said the five were "nonspecific" about possible consequences. "This is an attempt to elicit from them finally what they should have done in the first place—and not related to what is rumbling out of Washington," said a senior envoy close to the talks.]

In a 15-minute telephone call on Thursday, Mr. Bush and Prime Minister John Major agreed that Mr. Saddam had violated the United Nations resolution ordering Baghdad to provide details of its nuclear weapons so they can be removed or destroyed, British officials said.

Administration officials said Thursday that some UN inspectors had concluded that

**Silence?**



A London police officer aiming Friday at the Turkish Embassy while it was in a demonstration... Page 2.

**Rushdie's Translator Murdered in Japan**

By Steven R. Weisman  
*New York Times Service*  
**TOKYO** — The Japanese translator of "The Satanic Verses" by Salman Rushdie, the Indian-born author condemned to death by Iranian authorities when the book came out two years ago, was found stabbed to death Friday at Tsukuba University north of Tokyo.

Hitoshi Igarashi, 44, was an assistant professor of comparative culture at the university and is reported to have studied in Iran during the 1970s. The police said he had been stabbed several times Thursday night and left in the hallway outside his office.

The murder marked the second time in a week that someone involved with the production of the novel had been assaulted. On July 6, Ettore Capriolo, the Italian translator of "The Satanic Verses," was stabbed in his apartment in Milan. He survived the attack.

Mr. Rushdie went into hiding after his novel's publication in Britain in 1989 brought a condemnation of death by Ayatollah Ruhollah Khomeini of Iran, who charged that it was blasphemous and anti-Islamic. The death sentence was reaffirmed this February by his successor as spiritual leader, Ayatollah Ali Khamenei.

In the last year the author, a British citizen and Muslim who was born in Bombay, started to grant interviews, make some public appearances and issue statements construed as an apology for his book, saying that he had not intended to defame Islam.

But the Iranian government re-

Iraq possessed enough raw uranium to build 20 to 40 nuclear weapons over 10 years, but only if work proceeded without a hitch. That assessment reflects the "high end" of Iraq's nuclear potential, they said.

"That might have been their ultimate goal, but it doesn't reflect anything like their current capability," an administration official said.

About 100 pounds (45 kilograms) of weapons-grade uranium that Iraq has acknowledged to be in its possession is under international safeguards. But administration officials said this week that they believed Baghdad may have clandestinely produced enough to build at least one nuclear device. It is believed that a bomb can be made from as little as 55 pounds of enriched uranium.

**Descent From Glory: The Pan Am Saga**

By Steve Lohr  
*New York Times Service*  
**NEW YORK** — Pan American World Airways has always been a distinctively American institution — from its origins as a mail shuttling service on the East Coast to its rise as the world's largest airline to its steady decline in the face of international and domestic competition.

And now a bumpy final landing appears to be in sight. It is coming, partly at least, because Pan Am's founder had no interest in making the carrier competitive. His approach was to cultivate government contacts and to seek exclusive and profitable routes.

Juan T. Trippé, the flamboyant aviation pioneer who founded the airline, was a friend of American presidents and other heads of state. Mr. Trippé symbolized the self-confi-

dent globalism of some large American businesses during much of the 20th century. He worked closely with the American government, and Pan Am was long the "chosen instrument" of U.S. aviation policy abroad. But the airline never seemed to be nimble enough to adjust to a series of competitive challenges, from new players vying for international routes to airline deregulation in America.

The airline started in 1927 with shoestring financing, a Fokker three-engine monoplane and the first U.S. international mail contract, between Florida and Cuba. Mr. Trippé, who ran the airline as a fiefdom until he retired in 1968, once said, "I could see there was less competition abroad than at home."

In the early 1930s, Mr. Trippé engaged Charles A. Lindbergh to explore possible commercial routes across the Atlantic and over the polar regions to Asia. Island bases in the Pacific were established, so the seven-day, island-hopping service from San Francisco to Manila, an 8,200-mile (13,250-kilometer) trip, could begin in 1936. New York-to-Lisbon service was started in 1939.

In its worldwide expansion, Pan Am followed the policy of private negotiation with foreign powers for landing rights. Sometimes the U.S. State Department assisted, but much of the work was done face to face by Mr. Trippé and his staff of international experts.

When Pan Am's famous transoceanic clipper flights were inaugurated, Mr. Trippé was there, on the tarmac or in the cockpit. At the beginning of round-the-world passenger service in 1947, Mr. Trippé was hailed by foreign

[Mr. Rushdie said in a statement Friday: "I am extremely distressed by the news of the murder of Mr. Hitoshi Igarashi, and I offer my condolences and deepest sympathy to his family." Reuters reported from London.]

[He added: "International law, humanitarian principles and the ce-

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See PAN AM, Page 4



# Dissent On Bush Nominee

## Blacks in House Opposed, 18 to 1

By Richard L. Berke

**WASHINGTON** — The Congressional Black Caucus is almost unanimous in its opposition to the appointment of Judge Clarence Thomas to the Supreme Court. Members of the caucus voted, 18 to 1, to express their disapproval of Judge Thomas, who, as successor to Justice Thurgood Marshall, would be only the second black to serve on the highest U.S. tribunal. After members reviewed the nominee's civil rights record, Representative Edolphus Towns, Democrat of New York and chairman of the caucus, said Thursday the feeling was that "he was not the person to carry on the legacy of Thurgood Marshall."

The lone dissenting vote was from Representative Gary A. Franks, Republican of Connecticut, the only black Republican in the House. The vote was largely symbolic, since House members have no role in the confirmation of nominees to the Supreme Court. The action also had partisan overtones since all the opposing votes came from Democrats.

It was, however, the first official act of opposition from a black group. The National Association for the Advancement of Colored People and other civil rights groups have delayed formal action. The vote came as administration officials and Judge Thomas's backers in Congress sought to play down the disclosure that he had smoked marijuana and to distinguish his case from that of Judge Douglas H. Ginsburg, Judge Ginsburg, a federal appeals court judge, withdrew from consideration for appointment to the Supreme Court in 1987 after it was revealed that he used marijuana while he was a law professor. Judge Thomas, 43, expressed regret for having smoked marijuana in college, but several senators said the disclosure should not damage his prospects for confirmation.

### Errant Fire Killed 20 in Gulf

**WASHINGTON** — U.S. forces killed 20 of their own and British troops and wounded 28 more in a "friendly fire" incidents during the Gulf war.

# Thomas Moves to Dispel Hints on Anti-Semitism

The Associated Press

**WASHINGTON** — President George Bush's nominee to the Supreme Court, Judge Clarence Thomas, moved Friday to dispel suspicions that he may harbor anti-Semitic views, after a newspaper reported that he expressed a long-standing admiration for the black separatist Louis Farrakhan in two 1985 speeches.

Mr. Farrakhan, who succeeded Malcolm X as chief spokesman for the Nation of Islam in 1964, is known for his frequent attacks on the Jewish religion and the influence of American Jews on U.S. policy. "I cannot leave standing any suggestion that I am anti-Semitic," Judge Thomas said. "I am, and have always been, unalterably and adamantly opposed to anti-Semitism and bigotry of any kind, including by Louis Farrakhan."

Judge Thomas, who is black, added, "While I support the concept of economic self-help, I have never supported or tolerated bigotry of any kind." His comments, issued in a statement released through the office of Senator John Danforth, Republican of Missouri, were sparked by a report on Friday in the Dallas Times Herald that it had obtained texts of the two speeches, in which Judge Thomas described Mr. Farrakhan as "a man I have admired for more than a decade."

In both speeches, Judge Thomas also quoted Mr. Farrakhan as saying "whether America overcomes or not" the "oppressed, we the blacks... will overcome." At the time, Judge Thomas was chairman of U.S. Equal Employment Opportunity Commission. Mr. Farrakhan did not attract national attention until 1984, when he called the Jewish faith a "dirty religion," and described Adolf Hitler as "wickedly great" in a widely reported speech.

# CIA Phone Tapes May Widen Iran-Contra Case

By Michael Wines

**WASHINGTON** — The Iran-contra prosecutor has acquired tapes of hundreds of telephone conversations between Central Intelligence Agency headquarters and CIA agents in Central America, providing a lode of data on Oliver L. North's secret arms pipeline to Nicaraguan rebels, according to government officials and others involved in the inquiry.

The conversations included corroborating evidence that helped the prosecutor, Lawrence E. Walsh, secure a plea bargain this week from a CIA official, Alan D. Fiers Jr., who has implicated his superiors in the arms scandal. One official said the telephone conversations were retained by a recording system that was ordered installed in the CIA's seventh-floor operations center in Langley, Virginia, in the early- to mid-1980s. Others said the system, whose existence was not previously disclosed, was ordered in 1984 by Clair E. George, who then commanded the agency's network of agents under the director of central intelligence at the time, William J. Casey.

They said Mr. George had the recorders installed and that he assigned stenographers to transcribe all conversations on secure lines to overseas posts so that a written record would exist of instructions by senior agency officials to subordinates in the field. Mr. George has become a focus of the inquiry as a result of the plea bargain negotiated with Mr. Fiers, who is now cooperating with the investigation. According to court documents, Mr. Fiers has alleged that Mr. George ordered him in 1986 to conceal his knowledge of Mr. North's clandestine arms network from Congress.

The recording system became operational in 1984, about the time Mr. Fiers was named chief of the Central America Task Force, a CIA division that supervised relations with Nicaraguan rebels. Most communications between CIA headquarters and agency officers overseas are conducted by coded cable, but Mr. Fiers and his superiors used the monitored telephones regularly for conversations with station chiefs in Honduras, Costa Rica, and elsewhere, officials said.

Mr. Walsh's team of prosecutors originally acquired the tapes during their investigation of Joseph F. Fernandez, a former CIA station chief in Costa Rica. He was indicted in 1988, but the Fernandez prosecution was quashed by the Justice Department on the grounds that it would disclose valuable state secrets. The significance of the taped conversations in the case of Mr. Fiers apparently did not surface until this year, when investigators began turning their attention away from Reagan administration appointees and toward the prospect of misdeeds by high CIA officials in connection with the Iran-contra affair. One official said that even in transcribed form, many of the taped conversations were extremely difficult to understand and to relate to the events occurring in Nicaragua and in Washington at the time. They nevertheless "certainly were at least the substantiation for the allegations made by others" that eventually led investigators to Mr. Fiers, the official said. Some witnesses in the inquiry have expressed surprise at the limited knowledge of CIA workings displayed by investigators during their grand jury questioning — knowledge that came, at least in

part, from the transcribed conversations. As described by officials, the CIA's decision to record the telephone calls sprang from the same impulse for a permanent record of conversations that figured in the famous Oval Office tapings in the Watergate scandal. Agency officials were described as feeling there was a possibility of orders "being misunderstood."

"While people have secure telephones at their desks for conversations around town and within headquarters, and they could theoretically use those phones to make calls overseas, the operations directorate required them to use the system whereby they could only make calls from a controlled room," one former administration official said. It could not be learned whether Mr. George or his superior, Mr. Casey, used the system for their own calls, but several intelligence officials and former intelligence experts said that was unlikely. But at least one tape-recorded telephone conversation between Mr. Casey and President Ronald Reagan's former national security adviser, John M. Poindexter, was transcribed and provided to the congressional Iran-contra investigating committees in 1987.

### Bush Defends Gates

President George Bush on Friday defended Robert M. Gates, his embattled nominee to head CIA, and said the Senate should not leave him "twisting out there" because of new revelations in the Iran-contra investigation. The Associated Press reported from Kennebunkport, Maine. The Senate intelligence committee, which had hoped to start confirmation hearings next Monday, announced Thursday it was delaying the hearings until it could question several people about Mr. Gates' knowledge of the Iran-contra affair.

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# A Dealmaker for Moscow Post

## Strauss, Bush's Choice as Envoy, Has the Midas Touch

By Charles R. Babcock

Washington Post Service

**WASHINGTON** — Robert S. Strauss has often been referred to as the epitome of a Washington dealmaker, a superlawyer, a rainmaker. Now he's proved it. A 30-page financial disclosure statement released for his confirmation hearing Tuesday to be U.S. ambassador to the Soviet Union showed Mr. Strauss made \$4.5 million from his law firm over the past 18 months and nearly \$2 million more from investments, corporate directorships, and winnings from racehorses he owns with Treasury Secretary Nicholas F. Brady.

In addition, Mr. Strauss, 72, reported that he would get an additional \$1.5 million in severance and other pay when he resigns from the firm he founded, Akin, Gump, Strauss, Hauer & Feld, if confirmed as expected for the \$115,300-a-year post in Moscow. "He's certainly a rainmaker," said Laurence Hoffman, the firm's managing partner, noting that Mr. Strauss had brought in many of Akin, Gump's clients. "His role typically is that Company X has a big problem and Mr. Strauss is a guy potentially, individually or in conjunction with the resources at the firm who can assist them with it."

Mr. Strauss's reputation as the master of the deal, rather than a legal technician, is confirmed by a statement he included in the financial filing. Unlike the other lawyers in his 425-member firm, he said he did not keep time records. Most lawyers bill by the hour, and Mr. Hoffman said Mr. Strauss's practice was unique in his experience. After consulting with his partners, Mr. Strauss listed 30 clients, from American Airlines to Xerox Corp., to which he "rendered more than \$5,000 worth of legal advice." Included were MCA Inc. and Matsushita. Akin, Gump received an \$8 million fee for his role in representing both sides when the Japanese firm bought the Hollywood entertainment giant for \$7.5 billion.

In many of his business dealings, Mr. Strauss has relied on personal relationships he built up over a lifetime in Texas, national politics and government service. For example, he knew Lew Wasserman, head of MCA and a longtime Democratic Party fund-raiser, from his days as treasurer and chairman of the Democratic National Committee. He got to know a key Matsushita negotiator while he served in the late 1970s as President Jimmy Carter's special trade representative.

Mr. Strauss, responding in December to questions about the MCA-Matsushita deal, said, "I don't work by the hour anymore. I don't do windows. There are a lot of things I don't do I used to have to do. I don't take \$25 divorce cases and traffic ticket cases, which I started doing 45 years ago."

In a letter attached to his financial disclosure statement, Mr. Strauss said he was taking steps to protect himself from potential conflicts of interest. He will place his assets in a blind trust, resign from corporate boards, and sell his interest in the law firm. He also said that because he had extensive oil and gas holdings, he would not participate in any official matter "that has or could have a direct and predictable effect on the price of domestic oil or gas."

### Turkish Exile Slain in Paris

Agence France-Press

**PARIS** — Pasa Guven, an exiled leader of a Turkish extreme-leftist organization, Dev Sol, was shot and killed in Paris, the police said Friday. The 36-year-old political exile was killed with a bullet in the neck Thursday afternoon, they said.



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# I am a "Believer"

As a child I played with other children — 2 kinds — boys and girls. They would grow up to be mommies and daddies like my parents. When I reached school age I discovered that there were 3 kinds of boys and 3 kinds of girls — protestant, catholic and jewish. They would grow up to be either protestant, catholic or jewish parents.

I would have wanted to be what most kids were. But, my parents explained that when asked about my religion I should answer: "I am jewish."

This did not bother me too much until I was separated from most of my friends when they attended Sunday school. And on Xmas I found myself wondering why Santa Claus was for all children and Jesus Christ only for them. If Jesus was such a wonderful man why was I not free to join my friends in their admiration for him?

I could hardly wait to grow up. Then I would make up my own mind as to what I would want to be — a policeman, a fireman, a doctor. It would be up to me to marry the girl of my choice, and it seemed clear to me that everything concerning my adult life would ultimately be decided by me.

Only many years later did it dawn on me that this is not so. Already at the time of your birth, others make a decision for you which will retain unalterable validity throughout your lifetime. Before you can see, before your brain develops, others assign a religion to you as if this were their unquestionable right or duty. With this religion you will be identified forever. No matter whether you practice this religion, no matter whether you abandon it (which will be held against you). No matter whether you would rather be guided by philosophers than by ministers, priests or rabbis. No matter whether you think that separating human beings is detrimental to mankind, and that it cannot be God's will to have different religious groups — each claiming to be Number One with God — pray to HIM or HER.

When asked about our religion we are still supposed to either name one of the well-known religions or admit, somewhat embarrassed, that we are not religious.

What about those of us who believe in God but not in man-dividing religious organizations? Those of us who see religious education as an initial stage in our lives from which we must graduate to a higher level — a conscious, direct affinity with God that governs our thoughts, activities and decisions every minute of our existence. Those of us who have no sincere desire to repeat the text of printed prayers just as we feel no need to look at our school books anymore.

Let us give our questioners a very simple, uniform answer and tell them proudly: I am a "Believer"! And until this answer is widely understood let us explain:

A "Believer" believes in God but prays to God alone in his own way or with his fellow-human beings in a House of God where no particular brand of religion is promoted.

A "Believer" feels inner resentment when members of the religious profession treat him or her as a child or an inferior.

A "Believer" feels repelled by anybody's attempt to pose as God's authorized representative.

A "Believer" will bow to no mortal — only to God's voice in his or her God-given conscience.

"Believers" will exchange their thoughts about religion anytime, anywhere whenever the occasion arises — simply as human beings, not as members of any organization.

Only "Believers" can free themselves from indoctrination and embark on the overdue task of dealing realistically with tradition, eliminating the outdated and retaining the good.

Only "Believers" will find the strength in themselves to finally challenge the false claim that we were born protestants, catholics, jews, hindus, moslems, buddhists or what have you.

No one was ever born with a religion. God created only one human specimen — the human being and that is what we are when we are born.

Above all we must ask ourselves this question:

Do we behave — in word and action — as decent human beings?

The greatest deterrent to decent behavior is prejudice. "Believers" must speak up courageously against any form of prejudice to rid the world of our religious, racial and color problems.

glenn frank

"At this time in history, when peace in the world seems only a dream and when hate and violence are steadily increasing, it is my heartfelt desire to share the ideas of my husband, H.G. Frank, with people the world over — hoping and praying it may inspire others."

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They are all believed...  
Readbooks were set up...  
The Republic National Bank...  
It far exceeded the earlier...  
about 20 million Hong Kong...  
of \$2.5 million.



Sleuths at Auction, on the Old Master Trail

International Herald Tribune  
LONDON — There is an irresistible lure to sleuthing in the art game...  
SOUREN MELIKIAN  
ago. The great curiosity was a manneristic scene...  
Two decades ago when little was known about the Bolognese school...  
He returned the vases to South Korea...  
Kenichi Higasa, the Japanese collector...  
The episode highlighted longstanding...  
Japan has offered apologies...  
As in Greece's longstanding demand...  
Like most other disputes in Asia...  
After one of the conflicts, in 1598...  
He expressed some disappointment...



Detail of "Thyestes and Aerope," maybe by Nosadella.

that worried. He went up to...  
phen Pepper, who wrote a book...  
Two days later, the "track the...  
undetectable masterwork" game...

detones. It started with the "im-  
portant Old Master Pictures from...  
He appears to have had a weak...  
The demonstration continued...  
A superb Baroque design for...  
The shifting sands of uncertain...  
Field may have been overly opti-



Gainsborough drawing got record \$616,000 at Christie's.

Korean Art in Japan: Whose Is It?

By James Sterngold  
New York Times Service  
SEOUL — Last year Kim Soo-hong...  
He founded the country's porcelain...  
In Japan, art has traditionally been...  
The issue touches on questions of...  
The Japanese government has not...  
"No country has to keep all of its...  
Han said that he and his colleagues...  
One of his biggest frustrations...  
He expressed some disappointment...

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INTERNATIONAL Herald Tribune

For a Stronger Greenspan

President George Bush's renomination of Alan Greenspan to head the Federal Reserve Board is surely deserved.

More is at stake than Beltway politics. If the Fed kowtows to the White House, financial markets will not believe that it will stick to its anti-inflationary policies in rough times.

South Africa Qualifies

So far as the various sanctions against South Africa are concerned, this was the easy call. The question was: Shall South Africa be readmitted to the Olympic Games after an absence of more than 20 years?

wanted teeth, and the IOC gave us teeth," said Mr. Ramsamy. In the meantime, he and others hope that the country's return to international sports competition will be seen by white South Africans as one of the rewards for continuing to dismantle apartheid.

Other Comment

The Third World Is Moving

The next 10 years hold out the promise of extraordinary, perhaps unprecedented economic progress for the world. The transformation of the ex-Communist economies [in Eastern Europe] is eventually almost sure to deliver millions of people to a prosperity denied them for years.

In short, it is a bloody country seeking a leader. The people of Burma chose that leader almost 14 months ago, even though she was even then under arrest.

Labor Parties in Transition

[Labor parties] all seem to suffer from an identity crisis precipitated by the post-industrial world's realization that "class warfare" slogans are no longer relevant.

Encouragement to Burmese

One of Asia's leading politicians was selected this week as a symbol of hope. The European Parliament's selection of Daw Aung San Suu Kyi as the recipient of its human rights prize was doubly emphasized.

She has been held under house arrest since July 1989. Although there are no legal charges pending, her crime is well known both inside Burma and without.

Burma has been prisoner to men with guns for close to 30 years. The economic poverty of the formerly prosperous nation is matched perhaps only by the spiritual poverty of its leaders.

G-7 Opportunity: A New World for the Third World

By Uwe Holz and Jan Tinbergen

BRUSSELS — The announcement of a "new world order" may have been a rhetorical flourish at the height of heavy optimism during the Gulf crisis.

In the coming year, immense challenges will test the commitment of the industrialized countries to construct such an order and shape a new role for the United Nations system.

No new global order will be possible until the most manifest failings of the old order are swept away. On no issue is that more true than on the failure to tackle the debt crisis that helped turn the 1980s into a lost decade for developing countries.

ment has been reached by the member states. In March 1989, U.S. Treasury Secretary Nicholas Brady sought through his "initiative" to cut the bank debt of nearly 40 developing countries by 20 percent.

In September 1989, the World Bank announced a new mechanism to buy back at a low price the commercial bank debts of some of the poorest sub-Saharan African countries.

The field offers far more entry-level jobs than such sought-after high-tech industries as computer peripherals and biotechnology.

of good governance and sound economic management should also apply to the far wealthier creditor nations.

The failure to balance budgets, reduce interest rates and roll back protectionism are an indictment of the competence of some of our world leaders' global governance.

When properly planned, it is more environment-friendly than traditional development-based industries. And it encourages the preservation of culture and traditional arts and crafts.

proposals eluded agreement at the G-7 meeting. And the G-7 leaders should not stop there. Poland and Egypt — the former hardly the world's poorest country, and the latter hardly the firmest adherent to orthodox economics — are likely to get their debt reduced by 50 percent.

The summit should emphasize the need to review debts owed to commercial banks and the growing problem of debt owed to international financial institutions like the World Bank and the International Monetary Fund.

Freer trade, not protectionism, fosters travel and tourism. Government fiscal policies that result in citizens having higher discretionary income help, too.

For Eastern Europe, Tourism Makes Economic Sense

By Anders Björck

STRASBOURG, France — Policies set in motion in Eastern Europe between now and the next G-7 summit will have consequences, for good or ill, for decades to come.

The travel/tourism industry is an economic colossus, and uniquely suited to help Eastern Europe.

Increased tourism activity can be initiated relatively quickly without the need for enormous investment in new plant, improved infrastructure is required, but roads, railways and airports are the very elements of infrastructure that are required for the modernization of Eastern Europe's economies.

Technical and financial assistance from the West aimed at improving the East's transportation infrastructure would clearly help — and not only the travel/tourism industry. The same is true of Western aid in cleaning up Eastern Europe's environment.

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The Mistake Was Leaving Beaten Saddam in Power

By A. M. Rosenthal

NEW YORK — Imagine! Saddam Hussein actually has been lying about how much nuclear material he has stashed away. Massive, injured astonishment seizes the United Nations and the U.S. government.

American moral and political goals. Oil supply and the future of Kuwait were valid but not sufficient. In time, the president did say enough to lead Americans and Iraqi rebels to believe that the end of the war would bring the end of the killer who brought it about.

The American Lesson Teaches Union

By Edwin M. Yoder Jr.

WASHINGTON — The Bush administration has recently been hammered hard for betraying American political ideals. How? By supporting, even mildly and with reservations, the "territorial integrity" of Yugoslavia.

authority to govern is shared between central and local authority and the clash of interests is softened by shared laws and a central judiciary strong enough to vindicate the rights of individuals.

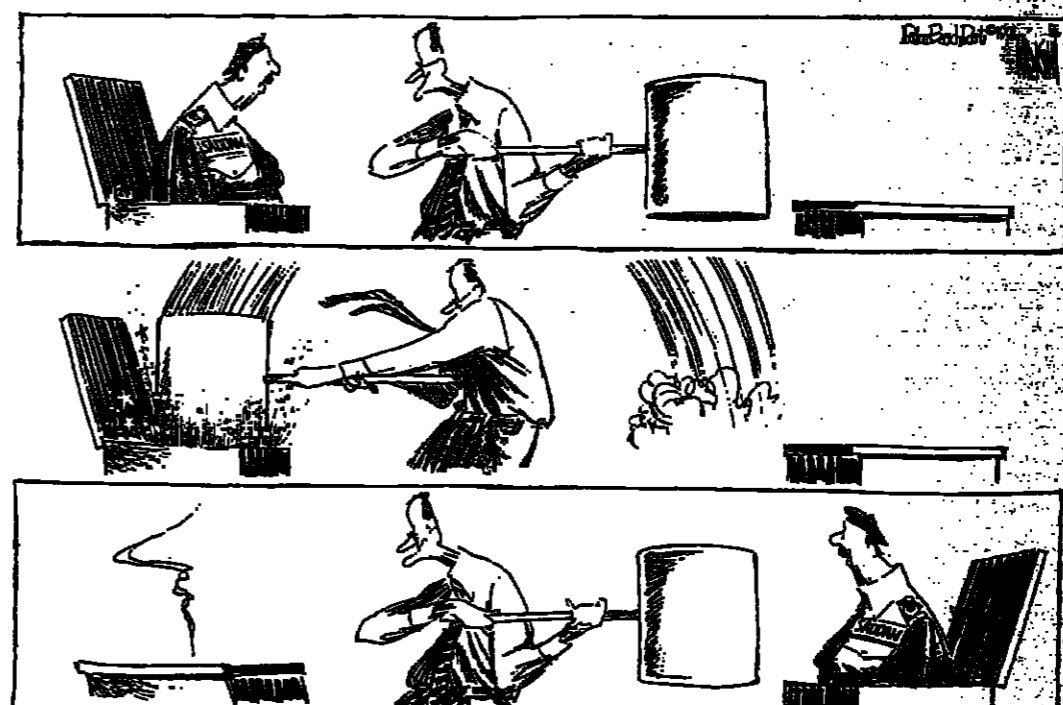
1891: Venice in Chicago

PARIS — Among the attractions of the Chicago Exhibition is to be a miniature Venice, 400 feet long and 180 wide. It is to be built in the lake and real gondolas imported from Venice are to ply in its canals.

less an occasion for thanksgiving and rejoicing for the Allied armies are winning successes on all fronts, and all Paris will glorify their achievements by paying whole-hearted homage to those who have fallen, and acclaiming the representatives of the gallant troops who are carrying on the struggle for emancipation.

1916: Fête in Wartime

PARIS — The fighting men of France, Great Britain and Russia will make the Fourteenth of July, France's National Holiday, a date to be remembered in the history of the war. Shorn of its peace-time frivolity and festive gaiety, it will be none the



ECONOMIC Analysts Do In Inventor

NEW YORK — It always seems to be just when you are just after Japan...

THE REVERSAL In

panic liquidation of a quarter at the depth of billion buildup during the...

CURRENCY RA

Table with columns for Currency, Rate, and other financial data.

Other Dollar Values

Table with columns for Currency, Rate, and other financial data.

Interest Rate

Table with columns for Rate, Term, and other financial data.

Key Money Rates

Table with columns for Rate, Term, and other financial data.

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ECONOMIC SCENE

Analysts Don't Put Stock In Inventory Rebuilding

By Lawrence Malkin International Herald Tribune

NEW YORK — Inventory is a curious concept. Shops always seem to be closed for an annoying inventory just when you are in a hurry to buy something hard to find. After Japanese production geniuses invented just-in-time delivery, businesses learned to save money by carrying hardly any inventory at all.

Now some exuberant economic seers, unable to find any other notable source of strength in the U.S. economy, are forecasting a sudden resumption of business inventories will provide a bounce, as it has in most previous recoveries. Even though this argument ignores the last decade's profound economic changes, it has gained some credence.

Forecasters such as Stephen Roach of Morgan Stanley say a spurt of orders could force the economy to a growth rate of 4 percent in the second half of this year — about twice as fast as predicted by most economists, including those at the Federal Reserve Board.

These bullish economists argue that factories will have to increase production to fill empty shelves, catching up with the unsatisfied consumer demand left over from this year's recession as well as the previous two years of slow growth. The perennial optimist, Edward Yardeni of C.J. Lawrence, said current low levels mean "the inventory cycle will soon be a growth booster."

This is dangerous nonsense to those who speak for factory owners themselves. Jerry Jasnowski, president of the National Association of Manufacturers, said that unless more people go back to work, their incomes can't grow fast enough to support higher spending. "Retailers should not accumulate inventories in anticipation of faster gains in demand but rather should adhere to a cautious strategy, so they do not get caught with an overhang of unsold goods later on," he warned.

Mickey Levy of CRT Government Securities said this recovery is very different from previous ones. During the rebounds of 1974, 1980 and 1983, he said, businesses "expected the worst during the recession and cut inventories too far, then dramatically reversed expectations" and rebuilt their stocks.

THE REVERSAL in the last recession was the largest: a panic liquidation of stocks worth \$59 billion during the quarter at the depth of the recession, followed by a \$27 billion buildup during the strongest quarter of the rebound.

This time businesses are acting more cautiously, partly because they expect less output after this year's shallow recession, but especially because of inventory discipline learned from the Japanese. During the 18 months before the economy hit bottom this winter, Mr. Levy reckoned, inventory buildup averaged only about half the postwar rate, which normally has been about 1 percent of gross national product.

During the recession itself, inventory liquidation ran at a much higher rate than normal during the first quarter of 1991 and about average during the second, which may have persuaded theorists who spied a potential inventory rebound.

But Mr. Levy warned that 80 percent of the stocks were dumped by automobile producers — and of all industries, the automakers have learned the virtues of just-in-time delivery and are certain not to rush into an inventory buildup.

"Economists have it backward," Mr. Levy said. "They think that when inventories are high, business automatically drops down, and when they are low, business automatically builds up. That's wrong. Inventories forecast demand, and they are an excellent barometer."

With consumer demand growing only slowly, Mr. Levy forecast U.S. business will maintain cautious production schedules.

See STOCKS, Page 9

China Buying Deeper Into Hong Kong Are Business Ties a Post-'97 Guarantee for Capitalism or a Trojan Horse?

By Laurence Zuckerman International Herald Tribune

HONG KONG — In a town whose business and politics are integrally linked, Jimmy Lai is unusual.

Mr. Lai, 42, is one of Hong Kong's most successful young entrepreneurs. His Giordano chain of casual clothing outlets are a hit with Asia's emerging middle class and he has diversified interests in cargo, manufacturing and trading.

But Mr. Lai is also a political activist. During China's 1989 pro-democracy movement, he donated more than \$100,000 to the movement and his factories churned out T-shirts emblazoned with the likenesses of prominent student leaders. After Beijing ordered troops to fire on the demonstrators, Mr. Lai was so upset he founded Next, a weekly magazine that champions free-market economics and American-style individualism.

Such activities would seem to put Mr. Lai at the top of Beijing's enemies list. Instead, he and China are business partners.

China Resources (Holdings) Co., which is directly controlled by Beijing's Ministry of Foreign Economic Relations and Trade, has owned 30 percent of Comtex Holdings Ltd., Mr. Lai's flagship company, since 1987 and there is no indication that it plans to reduce its stake. (China Resources does not have an interest in Mr. Lai's magazine.)

Mr. Lai says he has never been reprimanded by his Chinese partners because of his political activities. "There was never anything even insinuated," he said. "I was left free."

But despite his confidence, China's growing commercial interests in Hong Kong and the accord last week giving Beijing an unprecedented role in the colony's new airport project beg a critical question: Will Hong Kong's unrestrained capitalism dull the edge of Beijing's hard-line communism, or will it be the other way around?

The question, on everyone's minds since Britain agreed seven years ago to return Hong Kong to China in 1997 in return for promises of local autonomy, is no longer academic. China has increased its business presence in the colony, and Hong Kong's biggest companies have begun making alliances with their future masters.

"As I read the media everyday, I get the impression that they are into everything," said John Walden, former Hong Kong's Minister of Home Affairs, referring to the mainland Chinese.

There are no official figures on China's direct investment in Hong Kong, but Beijing's Economic Daily recently put the figure at 80 billion Hong Kong dollars (\$10.3 billion). If true, it would make China the single largest foreign investor in the colony, ahead of the United States and Japan.

Beijing's primary overseas investment company, China International Trade & Investment Corp., is now the second-largest stockholder of Hong Kong Telecom, the colony's monopoly phone company, and Cathay Pacific Airways, its flag ship air line.

CTIC's Hong Kong subsidiary soon plans to transfer its interests in Cathay Pacific, the telephone company in neighboring Macao and another Hong Kong-based airline, Dragonair, into a Hong Kong-listed company called Tylfall Co. Then, Tylfall is expected to be renamed CITIC Pacific and to raise funds from stockholders to make more Hong Kong acquisitions.

Venerable Beijing-based companies that have had branches in the colony for decades, such as China Resources, now hold interests in businesses as diverse as hotels, shipping and construction. And hundreds of smaller companies, ranging from tiny back-room operators to multimillion-dollar conglomerates, are owned by Chinese provinces and municipalities.

For China's communist entrepreneurs, the allure of Hong Kong is obvious. The smaller municipal and provincial companies escape the mainland's intractable bureaucracy, gain access to high technology, learn the ways of modern business and, not incidentally, get the opportunity to make big money.

The larger, more sophisticated companies like CITIC, China Resources and China Merchants, the state shipping company, are also looking for a profit. But their large investments in Hong Kong's blue-chip companies have the added benefit of allowing Beijing to keep its wary eye on Hong Kong's business elite in the years before 1997.

For Hong Kong's big business leaders, especially those with interests in the colony that extend beyond 1997, allying with Beijing is simply good business.

"Having the Bank of China on your board is like having a guarantee from Beijing," said Robert Broadfoot, managing director of Political & Economic Risk Consultancy Ltd. China's defenders say its investments are

See HONG KONG, Page 9

Britain Cuts Rates Despite Inflation Data

By Leigh Bruce International Herald Tribune

LONDON — In a bid to stimulate economic growth, the British government cut interest rates Friday by half a point, to 11 percent, despite news that the annual rate of retail price inflation failed to decline further in June.

The retail price index showed a year-on-year increase of 5.8 percent last month, unchanged from May. Many observers had expected a small reduction in the inflation rate, to 5.7 percent. The monthly rise from May to June was 0.4 percent.

Excluding mortgage interest payments, however, the rate of inflation actually accelerated to 6.9 percent from 6.6 percent in May. This so-called underlying rate gives a more accurate comparison with continental European figures. The government blamed seasonal food prices, gasoline and an increase in electricity rates for the upswing.

Analysts said Friday's interest rate move, which had been widely expected, was fully justified despite their slight disappointment over inflation.

"It would have been staggering if they had not cut rates today," said Neil MacKinnon, chief economist at Yamachi International (Europe) Ltd.

"In fact, the government is being excessively cautious about interest rates, and you can write the real economy off for the rest of the year as a result," he added.

Britain is near the bottom of one of the worst recessions since World War II, with no clear signs yet of an upturn.

Despite the inflation jolt, analysts agreed with a Treasury statement that the retail price index would resume its decline in coming months, dropping to about 4 percent by the end of the year. "We always knew inflation would not necessarily come down in a perfect straight line," the Treasury said.

Many analysts believe the rate of inflation could be as low as 3.5 percent by October, though the rate excluding mortgages will probably decline to only about 6 percent by then, still about twice the comparable German and French figures.

"The important thing is not to take too gloomy a view of today's figure," said Kevin Gardiner, chief economist at S.G. Warburg Securities. He said the seasonal factors that affected the inflation rate in June were temporary by definition and that sharp rises in mortgages and gasoline prices a year ago would soon drop out of the index.

As a result, analysts said interest rates would resume their downward trend in the next couple of months, moving to 10 percent in October or November.

Financial markets hardly reacted to the rate cut, which had been discounted in money markets for some time. It was the sixth half-point reduction since February. Interest rates began to drop from a peak of 15 percent when Britain put the pound into the exchange rate mechanism of the European Monetary System last October.

The Conservative government of Prime Minister John Major is eager to stimulate economic growth ahead of the next general election, which must be held in less than 12 months.

Though the interest-rate reduction will not jump-start the economy on its own, economists said it would help bolster confidence and would take some pressure off hard-pressed corporate borrowers and consumers.

Britain's major mortgage lenders said they would pass on the rate cut to their customers, a move that should help the housing market and pour more money into the pockets of existing homeowners.

But few economists believe the British economy will recover strongly before mid-1992. "My feeling is that interest rates would have to come down to about 8 percent before a real takeoff was possible," Mr. MacKinnon said.

Until recently, British authorities were reluctant to bring rates down too fast for fear of undermining the fight against inflation.

Analysts were confident of further declines in inflation but said the pound's relative weakness within the ERM would continue to constrain the government's ability to ease policy.

Central Banks Act to Push Dollar Down

Compiled by Our Staff From Dispatches

NEW YORK — Several rounds of surprise central bank selling and some disappointing U.S. economic data triggered a rout on the dollar on Friday, with the U.S. currency losing a whopping 2.5 percent against the Deutsche mark.

The dollar plunged more than 4 pfennig to finish at 1.7895 DM in New York, down from 1.8349 DM on Thursday. Before the freefall began in

summit that begins in London on Monday, signalled a determination on the part of the major central banks to cap the dollar's rise.

The intervention was "diabolical," said Albert Soria, foreign exchange manager at Kansai-Osaka-Paniki. "People tried to buy the dollar back at support levels but that was met with more bouts of intervention." Altogether at least 15 central banks sold the dollar against the mark, including the Bundesbank and the Federal Reserve.

"The intervention caught everyone off guard," said Bruce Giammattei, a trader at Credit Commercial de France.

Only a day earlier the dollar rallied against the mark after the Bundesbank decided not to raise interest rates, surprising many analysts who had expected an increase. Traders then anticipated further gains toward the dollar's recent high above 1.84 DM.

The timing of the intervention Friday and the participation of the Federal Reserve, which had refrained from recent rounds of intervention, caused many traders to speculate that the Bundesbank and the Fed had reached an agreement.

"It looks like a deal was struck that if the Bundesbank didn't raise rates then the Fed would join the intervention to support the mark," said Robin Aspinall, a currency strategist at Shearson Lehman in London.

"The Fed and the Bundesbank had an internal swap," said Christiane

See DOLLAR, Page 8

'It looks like a deal was struck that if the Bundesbank didn't raise rates then the Fed would support the mark.'

Robin Aspinall, London currency strategist

Europe earlier in the day, the dollar had traded as high as 1.8390 DM. The setback was the most abrupt and the most severe since the dollar began its big upward move back in February. Many dealers said they believed the intervention, coming on the eve of the Group of Seven

Bush Details Trade Plan To Boost Eastern Europe

Compiled by Our Staff From Dispatches

KENNEBUNKPORT, Maine — The United States will raise import quotas on certain East European products and take several other steps to aid Poland, Hungary and other former Soviet bloc countries economically, the White House said in a statement Friday.

The moves were designed to help increase trade with the region and to improve its access to world markets, the White House said. "The president is determined that the historic political and economic transformation in these countries must and will succeed," a White House statement said. "Supporting these new democracies wherever possible is one of the administration's top priorities."

The statement announcing the package was released amid concern that the needs of Eastern European nations were being overshadowed by talk of aid for the Soviet Union, which will be discussed at the London summit meeting of leaders from the Group of Seven industrialized nations. The meeting opens Monday.

The steps, designed to flesh out President George Bush's previously announced trade initiative for the region, were announced as Mr. Bush prepared for the summit meeting at his home in Maine. The program includes a U.S. commitment to adjust steel and textile quotas, expanded trade concessions, and precautions to ensure that U.S. agricultural export subsidies do not displace shipments from Eastern European countries.

The U.S. will also renegotiate successor bilateral agreements with Hungary, Poland and Czechoslovakia by the end of the year. To build export infrastructure, the United States said it would help set up export and investment promotion programs and provide advice on tariff restructuring and standards development.

(Reuters, AFP)

CURRENCY RATES

Table with columns for Currency, Unit, and Rate. Includes Amsterdam, London, Frankfurt, and others.

Table with columns for Currency, Par \$, and other values. Includes Australia, Austria, Canada, etc.

Table with columns for Currency, 30-day, 60-day, 90-day, and other rates.

INTEREST RATES

Table with columns for Eurocurrency Deposits, Term, and Rate. Includes 1-month, 3-month, 6-month, 1-year.

Table with columns for Key Money Rates, Term, and Rate. Includes 1-month, 3-month, 6-month.

Table with columns for U.S. Money Market Funds, Term, and Rate. Includes Merrill Lynch Ready Assets, 30-day average yield.

Table with columns for GOLD, Term, and Rate. Includes New York, London, Zurich, etc.

Bush Details Trade Plan To Boost Eastern Europe advertisement featuring a Baume & Mercier watch and the slogan 'SHOGUN BEYOND PERFECTION.'

0.75 AND 50 YEARS advertisement for Motorcove.

MARKET DIARY

Late Rally Boosts Wall Street Stocks

NEW YORK — Stocks closed higher Friday in moderate trading on the New York Stock Exchange, boosted by a late round of computerized buy programs at the end of another choppy session.

The Dow Jones industrial average, which rose 14.98 points Thursday, gained 21.02 to close at 2,980.77.

DOLLAR: Banks Act in Unison

(Continued from first finance page) Mandell, a vice president at Security Pacific International Bank in Los Angeles. "This is a policy move. The dollar is too high. In the last six months, it's gone up 40 pennies from 1.45 to 1.85 marks."

Following the Bundesbank decision and strong U.S. jobs data on Thursday, the dollar opened in a bullish mood in Europe on Friday at 1.8350 DM.

The pound rose to \$1.6493 from \$1.6055. In London earlier, the dollar closed at 1.7960 DM, down from 1.8355 DM on Thursday. It also fell to 137.15 yen from 138.65.

Mr. Aspinall said the intervention had been well-timed Friday, catching the dollar when it was only 30 points shy of its 1991 highs and looking set to reach a new one.

(Reuters, UPI, AFP)

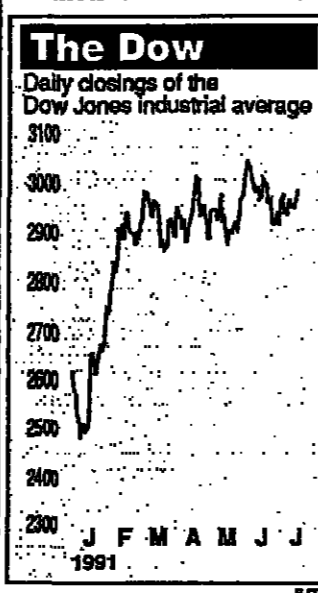


Table of NYSE Most Active stocks. Columns include Vol., High, Low, Last, and Chg. Stocks listed include GM, Intel, and others.

Table of AMEX Most Active stocks. Columns include Vol., High, Low, Last, and Chg. Stocks listed include Intel, AMD, and others.

Table of NASDAQ Most Active stocks. Columns include Vol., High, Low, Last, and Chg. Stocks listed include Intel, AMD, and others.

Table of NASDAQ Diary. Columns include Vol., High, Low, Last, and Chg. Stocks listed include Intel, AMD, and others.

Table of Dow Jones Averages. Columns include Index, High, Low, Last, and Chg. Includes Dow Jones Industrial Average, Standard & Poor's 500, and NYSE Index.

Table of Standard & Poor's 500. Columns include Index, High, Low, Last, and Chg. Includes various industry indices like Industrials, Utilities, and Finance.

Table of NYSE Index. Columns include Index, High, Low, Last, and Chg. Includes various industry indices like Industrials, Utilities, and Finance.

Table of NASDAQ Index. Columns include Index, High, Low, Last, and Chg. Includes various industry indices like Industrials, Utilities, and Finance.

Table of AMEX Stock Index. Columns include Index, High, Low, Last, and Chg. Includes various industry indices like Industrials, Utilities, and Finance.

Table of Dow Jones Bond Averages. Columns include Index, High, Low, Last, and Chg. Includes various bond indices like 30 Bonds, 10 Utilities, and 10 Industrials.

Table of NYSE Diary. Columns include Vol., High, Low, Last, and Chg. Stocks listed include Intel, AMD, and others.

Table of AMEX Diary. Columns include Vol., High, Low, Last, and Chg. Stocks listed include Intel, AMD, and others.

Table of NASDAQ Diary. Columns include Vol., High, Low, Last, and Chg. Stocks listed include Intel, AMD, and others.

Table of EUROPEAN FUTURES. Columns include Contract, High, Low, Last, and Chg. Includes various futures contracts like SUGAR, COFFEE, and CATTLE.

Table of Food futures. Columns include Contract, High, Low, Last, and Chg. Includes SUGAR, COFFEE, and CATTLE.

Table of Industrial futures. Columns include Contract, High, Low, Last, and Chg. Includes various industrial futures contracts.

Table of Metals futures. Columns include Contract, High, Low, Last, and Chg. Includes ALUMINUM, COPPER, and ZINC.

Table of Financial futures. Columns include Contract, High, Low, Last, and Chg. Includes various financial futures contracts.

Table of S&P 100 Index Options. Columns include Strike, Bid, Ask, and Last. Includes various options contracts.

Table of S&P 100 Index Options. Columns include Strike, Bid, Ask, and Last. Includes various options contracts.

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U.S. / AT THE CLOSE

Mitsubishi Raises Rockefeller Stake

TOKYO (Combined dispatches) — Mitsubishi Estate Co. said Friday it had paid \$416 million to increase its stake in the holding company for New York's Rockefeller Center to 80 percent.

Westinghouse Earnings Hit Stock

PITTSBURGH (Reuters) — Stock in Westinghouse Electric Corp. tumbled Friday after the company reported that earnings fell 50 percent in the second quarter and would stay weak throughout the year.

Seagate to Cut 18% of Work Force

SAN JOSE, California (AP) — Seagate Technology Inc., the largest U.S. independent computer disk-drive maker, laid off 1,200 workers worldwide Friday in another sign of computer industry recession.

Recording Pact's Passage Uncertain

NEW YORK (NYT) — Electronics companies like Sony Corp. and Tandy Corp., as expected, agreed to support legislation that requires the payment of royalties to the music industry but the difficult task of getting Congress to pass the measure still lies ahead.

Broker Charged in \$1 Million Theft

NEW YORK (Reuters) — A former stockbroker with Merrill Lynch & Co. has been charged with stealing \$1 million from clients, company sources said.

ECONOMY: A Low-Growth, Low-Inflation Scenario

TOBACCO prices, which have been rising for four months following excise tax increases, fell 3.2 percent, and automobile prices fell 0.9 percent because of sales incentives.

Former H.K. Exchange Chairman Admits Guilt

HONG KONG — The flamboyant former chairman of the Hong Kong Stock Exchange, Ronald Li, pleaded guilty Friday to two more counts of corruption.

Mr. Li, 62, who was sentenced in October to four years in prison on corruption charges, told the High Court he accepted shares or commissions from two companies in exchange for supporting or not opposing their listing in August 1987.

WORLD STOCK MARKETS

Table of World Stock Markets. Columns include Market, High, Low, Last, and Chg. Lists markets from Amsterdam to Toronto.

U.S. FUTURES

Table of U.S. Futures. Columns include Contract, High, Low, Last, and Chg. Includes various futures contracts like WHEAT, SOYBEAN, and CATTLE.

U.S. / AT THE CLOSE

Table of U.S. / AT THE CLOSE. Columns include Index, High, Low, Last, and Chg. Includes various market indices and commodity prices.

Buying Rockefeller Stake

Table of Buying Rockefeller Stake. Columns include Index, High, Low, Last, and Chg. Lists various market indices and commodity prices.

Large advertisement for Alcatel and other telecommunications equipment. Includes text like 'Buying Rockefeller Stake', 'Alcatel Lifts', and 'EC to Confine On Chinese'.



# Buying Rockwell Unit, Alcatel Lifts U.S. Profile

PARIS—Europe's largest communications equipment firm, Alcatel of France, will boost its position in the United States with the purchase of Rockwell International's Network Transmission Systems division.

Alcatel NV, which is 70 percent owned by Alcatel Alsthom, said Friday it had agreed to buy the division from Rockwell International for \$625 million in cash.

Rockwell's division, based in Dallas, is a leading North American supplier of transmission systems and products for the transport and management of voice, image and data traffic.

"It is the right time to get in there," said Christophe Cherbanc, an analyst at the Paris stockbrokerage Cholet Dupont. "The transmission market is growing fast."

"The Rockwell acquisition gives us the possibility of becoming number two in line transmission in the U.S. market," said Jozef Cornu, an executive vice president of Alcatel.

"AT&T will still be a dominant first. But I think we become a credible second," Mr. Cornu said in a telephone interview.

Alcatel's existing transmission business has 4 percent of the U.S. market, while Rockwell's activities have 11 percent and rank second in the market, he said.

The French firm is already the second-largest supplier of telecommunications cables in the North American market, he said.

The Rockwell division had sales of \$439 million in the year through the end of September. It has about 3,500 employees and operates manufacturing plants in Dallas, El Paso and Longview, Texas as well as in Nogales, Mexico.

The deal follows an agreement in April by Alcatel subsidiary Alcatel Cable to buy Canada Wire from Noranda Inc. for an undisclosed sum. The two acquisitions will boost the North-American share of Alcatel's sales to 12 percent from 6 percent currently, Mr. Cornu said.

The purchase agreement with Rockwell provides for Alcatel to assume certain related liabilities, include a pension fund and medical liabilities. Alcatel NV, a supplier of communication systems and equipment, was formed in early 1987 when Alcatel Alsthom and ITT Corp. of the United States merged their telecommunications businesses. (Reuters, AP)

## Investor's Europe

Exchange	Index	Friday Close	Prev. Close	% Change
Frankfurt DAX	1791	1791	1775	+0.90
London FTSE 100 Index	2600	2600	2580	+0.77
Paris CAC 40	1900	1900	1885	+0.79
Amsterdam CBS Trend	93.50	93.50	93.50	-0.11
Brussels Stock Index	5,754.29	5,754.13	5,754.13	-0.00
Frankfurt DAX	1,844.78	1,837.85	1,837.85	+0.42
Frankfurt FAZ	889.92	884.81	884.81	+0.75
Helsinki HEX	981.00	981.20	981.20	-0.02
London Financial Times 30	1,927.10	1,928.40	1,928.40	-0.07
London FTSE 100	2,497.40	2,510.50	2,510.50	-0.52
Madrid General Index	267.35	264.08	264.08	+1.24
Milan MIB	1,103.00	1,106.00	1,106.00	-0.27
Paris CAC 40	1,754.29	1,754.03	1,754.03	+0.01
Stockholm Aftersveidan	1,724.20	1,734.50	1,734.50	-0.91
Vienna Stock Index	547.31	547.69	547.69	-0.07
Zurich SBS	628.90	N.A.	N.A.	N.A.

# Another Top Executive Quits in Japan Scandal

TOKYO — The president of a major transportation company resigned Friday to assume responsibility for a scandal linking his company to a former underworld boss.

Hiroyasu Watanabe, president of Tokyo Sagawa Kyubin, resigned "because of several unfortunate events, including the gangster allegations," said Mamoru Hirabayashi, a company spokesman.

Mr. Watanabe is the third head of a major corporation to resign in less than a month over allegations of dealings with Susumu Ishii, the former chairman of Japan's second-largest crime syndicate.

The presidents of Nomura Securities Co., the world's largest brokerage, and Nikko Securities Co., Japan's third-largest brokerage, also stepped down in part because of their companies' financial dealings with Mr. Ishii.

Mr. Watanabe, like the brokerage presidents, will continue to hold an executive position within his company.

According to news reports, from 1989 to 1990 Mr. Ishii or companies affiliated with him received more than 2.7 billion yen (\$19.5 million) from Tokyo Sagawa Kyubin and two of its subsidiaries.

Much of the money reportedly went to West Taisho, a trading company linked to the Inagawa-Kai syndicate, which Mr. Ishii led until health problems forced him to retire last October.

Meanwhile, business executives here are reportedly snapping up a black-market videotape of an underworld ceremony to try to get a look at who they should avoid.

According to recent television and newspaper reports, the 120-minute video, which shows many of the nation's top underworld bosses with their names and titles superimposed on the screen, has been sold to several major corporations for 100,000 yen a copy.

## Investor's Asia

Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong Hang Seng	4150	4150	4150	+0.59
Singapore Straits Times	1800	1800	1800	-0.18
Tokyo Nikkei 225	27500	27500	27500	-0.14
Hong Kong Hang Seng	3,915.17	3,982.72	3,982.72	+0.59
Singapore Straits Times	1,468.78	1,471.46	1,471.46	-0.18
Sydney All Ordinaries	1,531.90	1,534.10	1,534.10	-0.14
Tokyo Nikkei 225	23,137.78	22,937.92	22,937.92	-0.87
Kuala Lumpur Composite	598.60	603.78	603.78	-0.85
Bangkok SET	674.71	688.98	688.98	-2.07
Seoul Composite Stock	631.78	621.74	621.74	+1.61
Taipei Weighted Price	5,327.10	5,312.32	5,312.32	+0.28
Manila Composite	990.25	984.14	984.14	+0.62
Jakarta Stock Index	328.62	328.56	328.56	+0.02
New Zealand Barclays	1,487.87	1,491.00	1,491.00	-0.21
Bombay National Index	702.91	692.66	692.66	+1.48

# EC to Confirm Duties On Chinese Televisions

BRUSSELS — European Community governments are on the verge of making provisional anti-dumping permanent duties on imports of small-screen color televisions from China and Hong Kong, EC officials said Friday.

China Great Wall Industry Corp. pays the maximum duty, while China National Electronics Corp. pays 16.3 percent, China National Light Industrial Products Corp. 16.8, Fujian Hitachi Television Co. 13.1, and Huaqing Sanyo Electronics Co. 7.5.

Of the Hong Kong manufacturers, Hanwah Electronics Ltd. pays the maximum rate of 4.8 percent, while Cony Electronic Products Ltd. pays 3.1. In addition, Kong Wah Electronics Enterprises 3.1, Koyoda Electronics Ltd. 4.6, Laks Industrial Co. 4.1.

An EC spokesman earlier this year said Community imports of the small television sets from China and Hong Kong rose from 55,000 units in 1985 to almost 1.3 million units in 1988.

The television sets have screen diameters of between 15.5 and 42 centimeters (6 to 16 inches).

An EC investigation uncovered dumping margins of 2 percent to 17 percent by comparing prices for the television sets in Hong Kong or

# Thurn and Taxis Will Sell Major Industrial Holdings

REGENSBURG, Germany — The Thurn and Taxis family, a wealthy business dynasty for five centuries, plans to sell its largest industrial holdings to the energy and aluminum group VIAG AG, the family's trust agent said Friday.

In a statement, Fritz Thurn and Taxis said it had agreed to relinquish its majority stakes in the metal-working concerns Dueduco-Edelmetall GmbH and Unidur GmbH, which together have a work force of about 2,400 and revenue of 540 million Deutsche marks (\$300 million).

The Thurn and Taxis group, which like other German private concerns is reluctant to disclose its balance sheet, has said it owns stakes in some 50 companies, with a total profit of 20 million DM on sales of about 800 million DM in 1989.

No comment was available from VIAG, which has been aggressively acquiring companies in recent years as part of efforts to diversify.

Princess Gloria, the young widow of Prince Johannes who died last December, planned to slim down the family conglomerate, the Süddeutsche Zeitung reported. The prince left behind a business empire that has been valued at as much as 5 billion DM.

Prince Johannes, whose family grew rich about 500 years ago by founding an early postal service, had broad business interests including forestry, brewing, and financial services.

# Brierley Sells Part of His Stake in Own Company

WELLINGTON — Sir Ron Brierley, the corporate raider who has been taking over companies in New Zealand, Australia and Britain for almost 30 years, has sold part of his stake in his own company, Brierley Investments Ltd.

Sir Ron said Friday he had sold 25 million shares — one-third of his 3.75 percent stake in BIL — for about 30 million New Zealand dollars (\$17 million) after "a considered evaluation that the stock was not performing." He told the Dominion newspaper that he had an open mind about selling more.

Sir Ron, who was eased out as chairman by then-deputy Bruce Hancock in 1989, used the money to buy a small stake in BIL's London-based unit GPG PLC, which he will use as his own investment vehicle.

"Ron sold his stock to pay for GPG," said a BIL executive, adding that although Sir Ron had been angry at BIL for several years, he did not think Sir Ron sold the stock out of anger.

Sir Ron told the Dominion that the stock was not doing as well in the days when he was in charge.

Sir Ron, 53, has played little part in BIL since he lost a struggle over investment philosophy in the wake of the 1987 stock market collapse that devastated BIL's share price.

He wanted to keep buying while the more youthful Mr. Hancock and the chief executive, Paul Collins, favored attacking the liability side. History would appear to support Mr. Hancock and Mr. Collins, as once-glamorous entrepreneurs around the world buckle under huge debts while BIL boosts profits and restores its balance sheet.

The buyer was an investment arm of the Singapore government, which now has 6.6 percent of BIL after agreeing in April to acquire up to 10 percent and 30 percent of BIL's British hotels group Mount Charlotte Investments PLC. (Reuters, AFP)

## Asian Banks Announce Hong Kong Securities Venture

TOKYO — Long-Term Credit Bank of Japan Ltd. has formed a securities venture with Hong Kong's Bank of East Asia Ltd. and former employees of Manufacturers Hanover Asia Ltd., an LTCB official said Thursday.

The new Hong Kong company plans to focus on issuing and trading debt instruments such as certificates of deposit denominated in Hong Kong dollars, U.S. dollars and other Asian currencies.

The company also intends to arrange private placements and syndicated deals as well as taking part in Hong Kong government bond issues.

LTCB, the second-biggest long-term credit bank in Japan, holds 60 percent of the new company, which is capitalized at 25 million Hong Kong dollars (\$3.2 million).

## STOCKS: Little Rebuilding Seen

(Continued from first finance page) especially because the consumer is likely to be restrained by the Fed. The central bank now is increasing the supply of money to the economy at a cautious rate of about 4 percent, which lies at about the midpoint of the Fed's target range of 2.5 to 6.5 percent, and far below

## HONG KONG: Will China's Commercial Stake Bring Political Control?

(Continued from first finance page) worry that Beijing is using its growing economic power to take control of Hong Kong before 1997.

Such fears are at the center of the debate over the new airport accord, which places a representative of the Bank of China on the future airport authority and obligates the Hong Kong government to obtain Beijing's stamp of approval before taking on debt more than \$640 million.

For months while Beijing and Hong Kong were locked in a stalemate over the vast \$16.2 billion development project, the Hong Kong government claimed that China had no right to interfere.

But in the wake of the accord, negotiated late last month by top British and Chinese officials, the Hong Kong government has reversed itself. It now portrays China's role in the airport project as a natural strategic alliance, much like having a Chinese representative on the boards of Cathay Pacific and Hong Kong Telecom.

The Hong Kong business community has largely hailed the deal.

# NASDAQ

Friday's Prices  
NASDAQ prices as of 4 a.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	Price	Change	Symbol	Price	Change
AA	12.25	0.00	W	12.25	0.00
ABB	12.25	0.00	X	12.25	0.00
ABC	12.25	0.00	Y	12.25	0.00
ABD	12.25	0.00	Z	12.25	0.00
ABE	12.25	0.00	AAA	12.25	0.00
ABF	12.25	0.00	AAAB	12.25	0.00
ABG	12.25	0.00	AAAB	12.25	0.00
ABH	12.25	0.00	AAAB	12.25	0.00
ABI	12.25	0.00	AAAB	12.25	0.00
ABJ	12.25	0.00	AAAB	12.25	0.00
ABK	12.25	0.00	AAAB	12.25	0.00
ABL	12.25	0.00	AAAB	12.25	0.00
ABM	12.25	0.00	AAAB	12.25	0.00
ABN	12.25	0.00	AAAB	12.25	0.00
ABO	12.25	0.00	AAAB	12.25	0.00
ABP	12.25	0.00	AAAB	12.25	0.00
ABQ	12.25	0.00	AAAB	12.25	0.00
ABR	12.25	0.00	AAAB	12.25	0.00
ABS	12.25	0.00	AAAB	12.25	0.00
ABT	12.25	0.00	AAAB	12.25	0.00
ABU	12.25	0.00	AAAB	12.25	0.00
ABV	12.25	0.00	AAAB	12.25	0.00
ABW	12.25	0.00	AAAB	12.25	0.00
ABX	12.25	0.00	AAAB	12.25	0.00
ABY	12.25	0.00	AAAB	12.25	0.00
ABZ	12.25	0.00	AAAB	12.25	0.00

# NYSE

Friday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	High	Low	Open	Close	Change
IBM	114.75	114.25	114.50	114.50	0.00
MSFT	40.75	40.25	40.50	40.50	0.00
ORCL	48.75	48.25	48.50	48.50	0.00
INTL	50.75	50.25	50.50	50.50	0.00
AMZN	18.75	18.25	18.50	18.50	0.00
GOOG	100.75	100.25	100.50	100.50	0.00
MSFT	40.75	40.25	40.50	40.50	0.00
ORCL	48.75	48.25	48.50	48.50	0.00
INTL	50.75	50.25	50.50	50.50	0.00
AMZN	18.75	18.25	18.50	18.50	0.00
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AMZN	18.75	18.25	18.50	18.50	0.00
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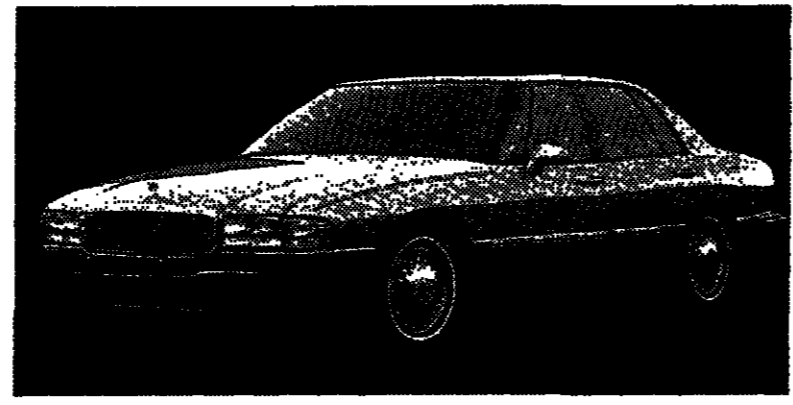
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AMZN	18.75	18.25	18.50	18.50	0.00
GOOG	100.75	100.25	100.50	100.50	0.00

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Handwritten signature: J. P. ...

AMEX

Friday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: High, Low, Stock, Div, Yld, PE, High, Low, P/A, Chg. Lists various stocks and their prices.

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Courts Reverse Wall Street Convictions

Despite Rulings, Experts Say Securities Industry Needed To Be Cleaned Up

By Kurt Eichenwald
NEW YORK — From the time of the first guilty plea in the Wall Street scandals of the 1980s, government prosecutors reeled up an impressive string of indictments that appeared to expose widespread corruption in the financial industry.

NBC News, Cutting Costs, Shuts N.Y. Bureau

NEW YORK — In a striking example of the cost-reduction efforts imposed by its owner, General Electric Co., NBC said Thursday that it was closing its New York news bureau, which has a news staff of 11.

Third World
...aided agreement at the G-7...

Freer trade, not protectionism... fosters travel and tourism...

1941: Motorcade
...the 50th anniversary of the...

NYSE Friday's Closing

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Saturday-Sunday, July 13-14, 1991 Page 12

THE WORLD REPORT

FIRST COLUMN

Buy? Sell? Put Both On Hold

WHAT'S in a word? The philologists have more or less given up on trying to find the word that has an irreducible meaning. You might think as unimpressing little word like "and" or "the" might have an irreducible, unambiguous meaning. But 10 minutes in a semantics seminar at a halfway respectable university would soon straighten out that misapprehension. Grossly oversimplified, the fashionable view is that words take their meaning from their context, which may be really their subtext. When the context — or subtext — is financial, however, it is almost easier to understand words as if they were no longer part of the English language. The simplest expressions, such as "buy," "hold" and "sell" have a totally different meaning when spoken in the rarified atmosphere found on the planet Money. The dearest things in life are expensive. But when a broker's letter lands on the doormat, what does a "buy" recommendation really mean? Most times, it signifies that the broker already owns a big chunk of those shares. So buy doesn't mean "spend" or "invest," but "make me rich."

A Boom in Emerging Markets

By Rupert Bruce

EMERGING markets funds are in fashion this summer. In Britain alone, two Latin American funds, the \$64 million Baring Puma Fund and the \$13 million Genesis Condor Fund, have been launched. And the first global emerging markets fund to be launched to the cautious British public as well as international individuals and institutions, the Fleming Emerging Markets Investment Trust, will start trading in London next Tuesday.

These closed-end funds are riding high on the buoyant performance of the emerging stock markets — defined by the World Bank as being in economies where the average gross national product per head is less than \$6,000 a year. The regional Latin American Investment Trust (LAIT), quoted on the London Stock Exchange, has risen almost 70 percent this year and is roughly in line with Latin America's major stock markets.

But are these funds just a fad made easier to sell by the racy performance of Latin American markets? Some investment managers think there is a strong case for investing in these markets, but they caution that values of the funds can fluctuate sharply as investors focus on particular countries or regions, and as fund managers bring out new products aimed at hot markets.

Investment managers point out that many emerging markets have both dynamic economic growth and inefficient capital markets. One of the casualties of this is an argument familiar to fans of emerging markets: That high-growth stocks can be picked at low prices you would not find in developed markets.

During the 1980s, Southeast Asia was the highest growth area with the region's economies growing at up to 10 percent a year. The 1990s are expected by many to be the decade of Latin America. International Monetary Fund projections have shown that the Latin American economies can expand at rates averaging 5.5 percent a year during 1992-1995 after a 3.6 percent rate in 1991.

In addition, more and more investment research is being written in Southeast Asia while there are very few brokers covering the Latin American markets. So many investment managers are turning toward Latin America for cheap high-growth stocks.

London-based Genesis Investment Management — which runs two emerging markets country funds, a Latin American regional fund and a global fund — is one of the pioneers of emerging markets investment. Anthony Newsome, a managing director at Genesis, said: "For country and regional funds there is definitely a strong tide of fashion. You have only to look at the number of Southeast Asian funds launched in the latter half of 1989 and the first half of 1990.

"As for global emerging markets, I think it is less of a fashion item because it is much more complicated. You have to get together a body of people who can make sense of 25 to 30 countries at different stages of development. And there are not that many suitable people about."

At London brokers Fleming's, there is a team of up to 16 people who will work on a new fund. Some of these will be at Fleming's Far East associate, Jardine Fleming, which has offices all around the region. Steve Bates, a director at Fleming Investment Management, said: "The important things are to have as detailed a knowledge as is possible of individual companies and markets and to employ your methodologies as rigorously as you can. There are differing accounting standards. That is where the need for large teams of people comes in."

The track records of the existing global funds are short, but the Beta Global Emerging Markets Investment Trust has the worst performance over the last year. It has risen just over 2 percent in dollar terms and is managed by a team of only two.

Some 12 percent of the Beta Fund is invested in country funds rather than individual stocks. Beta also was distracted by 1989's false dawn for investment in Eastern Europe. Jane Hakham, investment director

of Beta Funds, said: "When we launched a lot of people came to us with proposals for joint ventures and direct investment. But we generally said the information you have given us is inadequate." He explained that "there were basic things like memorandum and articles missing. How can you invest in anything unless they have the proper framework?"

Of the two investment managers with the longest track records, Genesis and Templeton Investment Management, the net asset value of the former's global fund has performed better since it was launched in June 1980. The offshore Genesis Emerging Markets Fund is up over 55 percent in dollar terms while the New York Stock Exchange-listed Templeton Emerging Markets Fund is up just over 40 percent.

In this case, Genesis has a higher proportion of its portfolio — almost 50 percent — in the currently buoyant Latin American markets. Templeton, on the other hand, has a leaning toward the Far East, where it has 45 percent of its assets.

ALL THESE GLOBAL global emerging markets funds trade at a premium or small discount to their net asset value. But single-country funds and some regional funds trade at larger discounts.

In 1989, when the first two Chile Funds were launched by Salomon Brothers and Genesis, they both traded at a premium to their net asset value. Then two more funds were launched in early 1990 and all the funds slipped to a discount. The Chile funds have slipped further to discounts of more than 20 percent since the two latest regional Latin American funds were launched earlier this summer.

John Kerwin Szymonowicz, head of investment trust research at London-based Warburg Securities, thinks the discount on these funds will narrow and become a better reflection of the underlying market's performance. They are researched more thoroughly.

"Obviously as more and more brokers

Emerging Market Funds

Leading emerging funds from Southeast Asia and Latin America. Value of \$100, income reinvested, excluding charges over one year to July 9, 1991.



Source: Micropal

Table listing various Emerging Market Funds with columns for Fund Name, Value, and other details. Includes UK Unit Trusts, Offshore Funds, and other regional funds.

start to cover them the discounts will start to narrow. If they do not, the writing's on the wall saying: watch out, a corporate predator."

Cynics might say that pure weight of money has driven Latin American markets at least part of the way up. They might add that the launch of a number of funds is a good indicator of the top of the market. But Genesis points out that only about \$1.3 billion has been invested in Latin American funds over the last two years, roughly the same as in Thailand alone.

Richard Chenevix-Trench, director of emerging markets at Baring International Investment Management in Britain, thinks

some of the markets — and particularly Mexico — are "a bit hot," but adds they have good long-term prospects.

"This particular quarter stock prices have steamed away. Mexican cement stocks have risen 300 percent since the beginning of the year. Some banks are at 3 to 4 times book value. That is expensive by any standard," he said.

All the investment managers emphasize these funds are long-term investments and should not be picked up and discarded with fashion. "People sometimes look at emerging markets as a quick fix which they are not," said Mr. Newsome at Genesis.

ADVERTISEMENT

Large advertisement table titled 'INTERNATIONAL FUNDS' listing various fund names, their values, and other details. Includes sections for ANACUS FUNDS, BNP JEREMY, and various international and regional funds.

Trying to... By Martin Baker. Financial catastrophe... among other things... suspension of operations... speculation in the financial...

U.S. Invest... By Judith Rehak. Most a bundle on the options... your broker assured you would make a fortune... Discovered that...

BRIEFCASE... The idea of profit without risk is as old as having your cake and eating it. Many financial institutions are...

For information on how to have your fund listed, fax Simon OSBORN on (33-1) 46 37 52 12.

July 10 1991

THE MONEY REPORT

Trying to Avoid Banking's Next BCCI

By Martin Baker

FINANCIAL catastrophe generates, among other things, a lot of wisdom after the event. The worldwide suspension of operations of the Bank of Credit & Commerce International has also engendered considerable furor and speculation in the financial community.

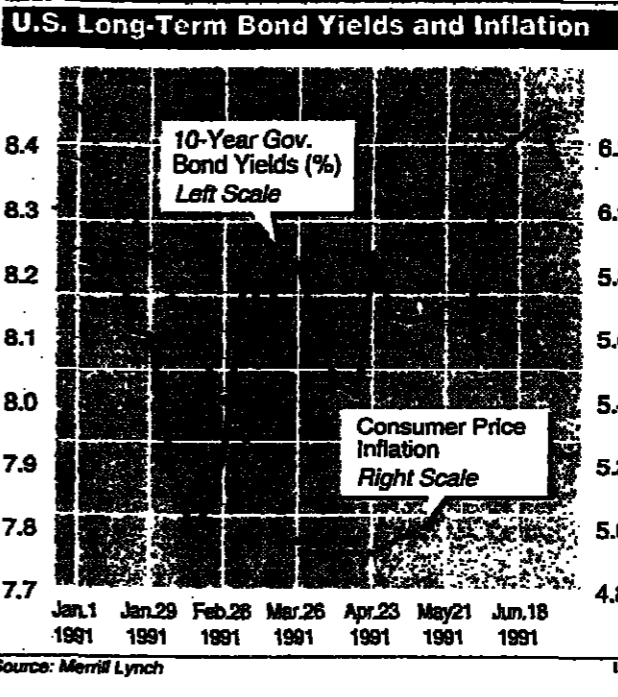
pany itself. Here the key questions are: Is the company well known and well established? Is comprehensive financial information readily available? Are its advisers, such as lawyers and accountants, well known and respected? Is an unusually high rate of return or interest being offered?

investigation," said Anne McMeenan, a director of Framlington mutual fund managers in London. "It is virtually impossible to ascertain the status of a company through the regulatory authorities."

Is a Golden Era Dawning for U.S. Bonds?

By David C. Lanchner

THE fledgling economic recovery in the United States and the recent rise in long-term American interest rates offer inflation-averse investors good cause for concern.



U.S. Long-Term Bond Yields and Inflation

ket, and generally closer relations between the West and most Middle Eastern oil producers, oil prices are likely to be flat for most of the '90s," Mr. Yardeni said.

U.S. Investors and Brokers Try Mediation

By Judith Rehak

LAST bundle on the options your broker assured you would make a fortune? Discovered that our elderly aunt's \$30,000 nest egg as dwindled to \$25,000 after easy trading in "high-growth situations"?

Table with 3 columns: Group, Administrative Fee, Mediator Fee. Lists various mediation services and their costs.

client and brokerage maintained their relationship," said Charles Cooper, an AAA vice president.

Gold Funds Outshine

BULLION'S recent thumping bull run has pushed gold mutual funds — most of which invest in gold and other commodity mining shares — right to the fore over the last month.

porate profligacy "has broken the culture of inflation," said James Hocking, chief investment officer at Citicorp's private bank.

BRIEFCASE

Dresdner and Mitsubishi Offer Index With Guarantee

The idea of profit without risk is as whimsical as having your cake and eating it. But two major financial institutions are promising investors just that with a new stock index-related security.

U.S. Unit Investment Trusts

Table showing U.S. Unit Investment Trusts with columns for Number and market value of tax-free, taxable and equity trusts, and Deposits in 1991.

West Goes East as Fleming Launches a Fund in Tokyo

The westerners are coming. This week the Japanese mutual fund market will see the second open-type mutual fund managed by a western securities firm aimed at Japanese residents.

Best Performing Mutual Funds

Table listing Best Performing Mutual Funds with columns for Fund Name and Value of \$100, income reinvested, excluding charges.

FUTURES TRADERS

Advertisement for Lind-Waldock & Company, featuring a large price tag of £22/\$36 and text about futures trading services.

U.S. Fund Buyers Continue To Ploek to Tax-Free Bonds

American investors have been rushing to put their money into bond unit investment trusts, especially tax-free bond trusts.

EC Attempts to Shed Light On Marketing of Insurance

How do you sell an insurance policy? While a salesman might try to turn the answer into a sales pitch, a regulator would try to define what information the consumer should have — about the policy and the salesman — before signing on the dotted line.

Paying More for Certificates and Basic Service at Merrill

Investors who want paper proof of purchase are going to have to pay for it if they're clients of Merrill Lynch. The biggest broker in the United States has just introduced a \$15 charge for investors who want a stock certificate after making a buy order.

Advertisement for Value Line, offering an introductory trial for only \$95, with details about the Value Line Investment Survey.

SPORTS

Sanderson One-Hits Angels

By Michael Martinez  
New York Times Service

AMERICAN LEAGUE

ANAHEIM, California — He is not exactly Nolan Ryan, but the California Angels wouldn't have known the difference anyway.

Scott Sanderson is simply smooth and effortless, getting ground balls and fly balls, striking out a batter here and there and making it almost look routine.

Thursday night, the Yankee right-hander did it again, pitching a one-hitter, facing just 28 batters — one above the minimum — and beating the Angels, 2-0.

The only hit Sanderson permitted was a double inside the bag at first base by Luis Polonia to start the fourth. He then retired 13 batters in succession before Gary Gaetti reached base on an error by shortstop Carlos Rodriguez with one out in the eighth.

The victory was the Yankees' 11th in 14 games.

The Angels have now gone 22 consecutive innings without scoring a run. Last Sunday, they were almost no-hit by Ryan, who pitched Texas to a 7-0 victory.

Sanderson pitched only the third complete game by a Yankee pitcher this season. He also had the second one, a three-hit shutout of the Seattle Mariners on May 3. In between, the Yankees went 59 games without a complete game.



The Pirates' Barry Bonds stretched back to first base as the ball popped out of Bill Doran's glove.

In other games, The Associated Press reported:

Blue Jays 2, Rangers 0: Tom Candiotti struck out 10 and extended his scoreless innings streak to 15 with the shutout in Toronto.

Cardinals 4, Yankees 3: Yankees were traded by Cleveland last month, held the Rangers to five hits for eight innings. "I was frustrated in Cleveland, and I knew we weren't going anywhere," said Candiotti, whose former team trails the Blue Jays by 27 games.

Twins 7, Red Sox 3: Mike Pagliarulo's third hit broke a tie, and Paul Sorrento added a three-run pinch homer in the Metrodome.

Pagiarulo, who went three for three with a homer, doubled off reliever Jeff Gray with one out in the seventh to score pinch-runner Jarvis Brown and break a 3-3 tie.

Brewers 5, White Sox 1: Bill Wegman pitched his first complete game in more than a year, and Milwaukee scored four runs in the fourth inning off visiting Chicago.

Athletics 8, Orioles 1: Dave Stewart pitched seven shutout innings in three runs. The A's have won 10 of Stewart's 11 home starts.

Mariners 6, Indians 0: In Seattle, Cleveland absorbed its major-league-leading 12th shutout. Jay Buhner drove in two runs.

After Break, Opening Shots Bring Few Changes

How do the National League races look after the All-Star break? Actually, almost the same as they did going into the break.

The New York Mets kept pace with Pittsburgh and beat San Diego, 4-3, in Shea Stadium to remain 2 1/2 games behind the Pirates in the East. In the West, Los Angeles and Cincinnati each started the second half with a loss, keeping the Dodgers five games ahead of the Reds.

The Pirates entered the break with four losses in seven games, but came out swinging in Riverfront Stadium and beat the Reds, 10-6, as Barry Bonds drove in four runs. His big hit was a three-run homer to highlight the Pirates' five-run eighth off Randy Myers.

"I think it was Randy. It was his 90-mile-an-hour pitch more than anything else," Bonds said. "It just bit my bat and jumped."

Expos 3, Dodgers 2: Ivan Calderon homered and Mark Gardner gave up two runs in seven innings as Montreal won at home. The Expos have won three of their last four games after losing 11 in a row.

Dodger starter Bob Ojeda hit a two-run homer to tie the score, 2-2, in the second inning, his first major league home run.

Mets 4, Padres 3: Kevin McReynolds singled home the winning run with two outs in the ninth inning after Garry Templeton was intentionally walked, lifting New York at home.

Larry Andersen walked pinch-hitter Gregg Jefferies with one out. Kevin Torre, another pinch-hitter, hit into a fielder's choice and San Diego chose to walk Templeton, a .243 hitter. McReynolds, who entered the game with a .293

average, then batted a single up the middle to score Jefferies.

Phillies 3, Giants 2: Terry Mulholland gave up five hits in 8 1/2 innings and John Kruk hit a home run as Philadelphia hung on to beat visiting San Francisco.

Mitch (Wild Thing) Williams put two men on base but ended the game for his 14th save.

Brewers 4, Cardinals 1: Steve Avery and Juan Berenguer combined on a two-hitter as Atlanta beat visiting St. Louis.

Avery retired the first 18 Cardinals before Rex Hudler blooped a single to center field leading off the seventh inning for the first hit of the 21-year-old left-hander.

Astros 6, Cubs 4: Pinch-hitter Ken Oberkfell's two-run double off Dave Smith with two outs in the 11th gave visiting Houston its sixth victory in seven games.

Alzado, the Media and the Elusive Truth

By Robert Lipsyte  
New York Times Service

NEW YORK — Lyle Alzado's face slipped off the newstands just as the National Football League teams began opening their training camps this week, but the lineman's burning eyes, beseeching yet still defiant, should haunt the new season, at least until the full story plays out.

Is Alzado, who admits to having lied in public for years about his drug use, telling the whole truth now? Is the NFL finally sincere in its anti-drug posture? Are steroids really a great risk?

Why shouldn't athletes have the right to go beyond healing medicines and expensive machinery to enhance their performances?

"For starters, the news coverage was based on a false premise," said Dr. Gary Wadler of Cornell University Medical College, a leading expert on drugs in sports. "There is zero correlation between brain tumors and steroids."

"We all knew Lyle was a 'roid monster,'" said Keith Lee, a former NFL defensive back, "but those were the days of what I came to think of as the Frigate Syndrome. The league was in love with size-plus-speed, and there was a lot of pressure on linemen. Like a lot of smaller guys who weren't using, I thought, 'OK, it helps the team.' I thought of steroids as vitamins for big guys."

They hit the field snorting and vomiting, their eyes rolling red. Fans thudded at those flesh-benders, and the NFL shamelessly marketed the pain.

REMEMBER all those montages of "great hits," those crunch-time cassettes? Did you really think a human being could keep doing that clean and sober? And that jittery aggression didn't always stay in the arena. According to a number of players I have spoken with, some players' wives were often black and blue, too.

Out of that community of consenting adults emerged Alzado, former All-Pro, apprentice movie hound and a sensational self-promoter.

He appeared on NBC with Maria Shriver, and then in a Sports Illustrated cover story, to announce that his reckless use of steroids and human growth hormone had caused an inoperable brain cancer.

"The result was a media feeding frenzy and it wasn't responsible," Wadler said. "I've talked to everyone and his brother in the field, scientists, endocrinologists, and no one sees any evidence of a relationship between his story and his cancer, other than the very real concern we all have about AIDS-related lymphomas, particularly when needles may have been shared, or bottles containing chemicals may have been shared."

Vantage Point

"What I can't understand is why there was so little attention to the 'wrestling trial.'"

On the inside back page of the same issue of Sports Illustrated that featured Alzado on the cover was the smiling face of another big man, so famous he didn't have to be identified. His message was not "I lied" but an endorsement of an underarm deodorant. Hulk Hogan, the pro wrestling franchise, is also a player in the steroid story.

"A much more important part of the story," said Wadler, who was an expert witness in the successful prosecution of Dr. George J. Zahorian 3rd for distributing steroids and prescription painkillers for non-therapeutic purposes to wrestlers.

"This is an industry that's pitched to kids, that comes into homes as cartoons and children's TV, that makes an enormous amount of money in toy stores selling itself as a pantheon of American heroes."

THE Hulkster, more of an American hero than Alzado, never appeared at Zahorian's trial, although the defendant claimed to have sold Hogan steroids and helped him kick the drug.

The judge quashed a subpoena compelling Hogan to testify and dropped the charge against Zahorian that pertained to Hogan because of "private and personal matters that should be protected." Other than the wrestling industry, it was not clear what needed to be protected.

The estimated 250,000 to half-million high school students currently using steroids were not among those protected.

Wadler is concerned that people who need steroids for valid medical reasons will be afraid to use them, and that the "reefer madness" publicity around Alzado will further erode public confidence in medicine.

After being told that steroids were mere placebos, now they're killers. Most of all, he's concerned that the image of the superhero wrestlers will be selling more than deodorant to youngsters.

Wadler is adamantly opposed to steroid use as an enhancer of athletic performance; it tilts the playing field, he said, it unfairly pushes non-users to become junkies to remain competitive. Alzado juiced up to stay in the game.

"Lyle wasn't naturally that fast or big or skilled," said Lee, who played with Buffalo, New England and Indianapolis before becoming associate director of Northeastern University's Center for the Study of Sport in Society.

"Who knows if he would have had that career without drugs? Steroids helped his body perform what was in his heart."

National Football League Training Camps' Data

(Camp sites and reporting dates)	NATIONAL CONFERENCE
AMERICAN CONFERENCE	Atlanta Falcons-Falcons Complex, Atlanta, Georgia, July 18.
Baltimore Colts-Princeton State University, Princeton, N.J., July 18.	Atlanta Falcons-Falcons Complex, Atlanta, Georgia, July 18.
Cincinnati Bengals-Wilmington College, Wilmington, Ohio, July 18.	Chicago Bears-Pittsville, Wis., July 16.
Cleveland Browns-Lakeland Community College, Mentor, Ohio, July 18.	Dallas Cowboys-St. Edward's University, Austin, Texas, July 14.
Detroit Lions-Northern Colorado University, Greeley, Colorado, July 12.	Denver Broncos-Bentley, Colorado, July 17.
Houston Oilers-Trinity University, San Antonio, July 15.	Green Bay Packers-St. Norbert College, Green Bay, Wis., July 15.
Indianapolis Colts-Anderson University, Anderson, Indiana, July 11.	Los Angeles Raiders-University of California-Irvine, Irvine, California, July 10.
Kansas City Chiefs-Wisconsin-River Falls, River Falls, Wis., July 16.	Minnesota Vikings-Mankato State University, Mankato, Minnesota, July 22.
Las Vegas Raiders-Radisson Hotel, Oakland, California, July 17.	New Orleans Saints-Wisconsin-La Crosse La Crosse, Wisconsin, July 14.
Miami Dolphins-St. Thomas University, Miami, July 11.	New York Giants-Fairleigh Dickinson University, Madison, New Jersey, July 16.
New England Patriots-Bryant College, Smithfield, Rhode Island, July 17.	Pittsburgh Steelers-West Chester University, West Chester, Pennsylvania, July 14.
New York Jets-Hotspur College, Hempstead, New York, July 16.	Pittsburgh Steelers-St. Vincent College, Stroudsburg, Pennsylvania, July 16.
Pittsburgh Steelers-St. Vincent College, Stroudsburg, Pennsylvania, July 16.	San Francisco 49ers-Santa Clara University, San Jose, California, July 13.
San Francisco 49ers-Santa Clara University, San Jose, California, July 13.	Seattle Seahawks-Seattleuws Headquarters, Kirkland, Washington, July 18.
Seattle Seahawks-Seattleuws Headquarters, Kirkland, Washington, July 18.	Tennessee Titans-University of Tampa, Tampa, Florida, July 19.
	Washington Redskins-Dickinson College, Carlisle, Pennsylvania, July 15.

NFL Sign-Ups This Year: More of a Waiting Game

By Timothy W. Smith  
New York Times Service

NEW YORK — With most National Football League training camps opening in the next week, a majority of the first-round draft picks are cooling their heels rather than packing their bags. And if negotiations between clubs and agents do not accelerate, the number of extended holdouts could surpass those of previous years.

As of Thursday, only five first-round picks had signed. Three of them signed on draft day, April 22.

At this time last year, only three first-round selections had signed. But agent Leigh Steinberg said this year's negotiations were behind the pace of previous years.

George Young, the New York Giants' general manager, describes himself as a "Bastille Day signer." Said Young: "Signings are directly proportional to the opening of training camps."

Teams and player agents are playing a waiting game, based on a slotting system that calls for a player to get less money than the player drafted ahead of him, but more than the player taken after him.

"The flaw in the slotting system is that nobody signs, because nobody signs," said Steinberg.

Steinberg represents defensive end Russell Maryland, the No. 1 pick from Miami, who signed with Dallas on draft day. He also represents defensive back Eric Turner, the No. 2 pick, and quarterback Dan McGwire, No. 16.

In Los Angeles Goes Light  
By Christine Brennan  
LOS ANGELES — The U.S. Olympic Festival is a massive event with a misleading name. The nation's only regularly scheduled multi-sport event, it is estimated to cost more than \$1 billion for its 10-day run beginning Friday in Dodger Stadium. But most of the athletes competing here haven't been Olympians and never will be. It is the developmental squad for the U.S. Olympic movement. But it is a celebratory mo-

Sidelines  
Somma Reported C...  
St. Albans, England (AFP) — Formula One drivers' support for the McLaren-Honda team, winner of the French Grand Prix, was the focus of the Renault and the French oil giant Elf Aquitaine offering Senna £1 million to be the first to congratulate "I would be a million." said Senna. "These kinds of money, I find nothing at all. These are my friends, these are my friends." Friday claimed the race from the start.

Prognosis Uncertain  
PHILADELPHIA (AP) — Centerfielder Phil Mottus, who has been in the backstop since 1987 and is expected to sign Friday, was scheduled to play in 1989-90 but missed 175 rebounds for Philadelphia.

For the Record  
The British media lambasted the new speed limit, 1-1, with the result. The new speed limit was called a "road" by a commentator who said he had never heard of the word "road" in the history of the British Empire.

BOOKS

WHY AMERICANS HATE POLITICS: The Death of the Democratic Process

By E. J. Dionne Jr. 405 pages. \$22.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by Richard Reeves

GIVEN a choice between listening to, say, Richard Gephardt, Mario Cuomo and Douglas Wilder speaking to seven farmers and 14 television cameras in Iowa, and reading the thoughts of E. J. Dionne Jr. and Alan Ehrenhalt, I would go for the reading. Dionne and Ehrenhalt are journalists, smarter than most, offering up a few ideas, more than a few in Dionne's case, about how we got into what they agree is a political mess.

The titles tell you where they think we are going from here. "Why Americans Hate Politics" is the choice of Dionne, who recently transferred his considerable talents from The New York Times to The Washington Post. "The United States of Ambition" was chosen by Ehrenhalt, the editor of Governing magazine and former political editor of Congressional Quarterly.

The point of Ehrenhalt's book is that our political leaders from town halls to the White House are essentially self-selected. I agree and think it is important to understand that we are governed by people whose business is running — not governing but campaigning — but he makes his point too many times.

Dionne's book is much more complex, the best book of political analysis by a journalist in many years. It is, partly at least, an argument that 1960s liberals and 1980s conservatives drove Americans away from politics because both distrusted "the people" and wanted to institutionalize idealistic agendas without the interference of disinterested or hostile voters.

This is a good political history of the United States that came out of World War II, a country more powerful, more free, more democratic, more fair than it had ever been. National mobilization and mass rewards like the GI Bill, and new communications and transportation technologies created new opportunities in education, in economic and social mobility — and a weakening in the old American conviction that government is best that governs least.

Things could not have been much worse for the conservatives who considered President Eisenhower part of their problem. But they survived, and now they prevail, a tribute to what Albert Jay Nock called "the remnant," conservatives like William F. Buckley Jr. who kept alive the spark of the right in the bad times until Ronald Reagan came along to puff it into a prairie fire.

Newspaper reporters do not normally throw around names like Nock. Neither did the liberal Democrats and liberal Republicans who more or less dominated the political dialogue until late in the 1970s. That ignorance of realist intellectualism, Dionne points out, is part of the reason the former declined and the latter literally disappeared.

The ghost of liberal Republicanism haunts this book and much of American politics. Dionne calls for "a new political center," uniting the great American middle class and the men and women of the reasonable left and reasonable right. It sounds like Nelson Rockefeller in the late 1960s to me: rhetorical conservatism and operational liberalism, a balance between individual freedom and community obligation.

That's what everyone wants, at least that's what they say in polls — cut my taxes but don't touch my Social Security benefits — but no one has made it work because the Republicans of the 1980s (and the 1920s) and the Democrats of the 1960s (and the 1930s) still fear what each other stands for and still are the twin cores of the two-party politics America loves to hate.

Richard Reeves is an author and syndicated columnist. This is excerpted from a review written for the Los Angeles Times.

BRIDGE

By Alan Truscott

IRA Ewen of Manhattan and Gene Proznitz of Brooklyn, sitting North and South on the diagrammed deal, began the final session of the Goldman Pairs in second position. Estimating that their score at this point was about average, they gambled.

In response to spade, Ewen could have bid four hearts, a splinter bid, and followed with five hearts to show a void. But this was match-point scoring, and accurate bidding, showing the void, would greatly increase the chance that West would find the best opening lead. The wrong opening lead was likely to permit an overtrick, a crucial consideration at match-point scoring. So Ewen bid six spades, a calculated gamble.

This put Proznitz in something of a quandary. He knew that the only hand that would justify North's action was one containing a superb spade fit, a void and at least one ace. If the void was in a minor suit, the grand slam would be a lay-down. And if the void was in hearts, the grand slam would have a fair chance: If West did not have the missing ace he was more likely than not to be wrong suit.

So Proznitz ventured seven spades, and was rewarded when West led a heart. Making a the grand slam was a top score, but would have meant a bottom if West, with nothing to guide him, had guessed to lead a club.

It turned out that there was no need to gamble. All the other close contenders did badly in the final session, and Proznitz and Ewen would have won even if the grand slam had failed.

PEANUTS

Some nights were dark. Some nights were stormy.

BEETLE BAILEY

I THINK THIS COUNTRY PRODUCES TOO MUCH GARBAGE.

WHAT DO YOU THINK OF THAT?

THIS USED TO BE A LANDFILL.

ANDY CAPP

HE WASN'T!

YES, HE WAS! AND YOU WERE OBVIOUSLY ENJOYING IT!

HE WASN'T! CHATTING ME UP!

HE WAS JUST TELLING ME WHAT HE'D DO TO YOU IF YOU DON'T PRETEND HE MISSED!

WIZARD of ID

YOU'RE TOTALLY OUT OF SHAPE!

... I'LL BET YOU CAN'T EVEN TOUCH YOUR TOES

WHY WORRY ABOUT SOMETHING I CAN'T EVEN SEE?

REX MORGAN

I'M AFRAID I GET EMBARRASSED WHEN YOU CALL ME WITH YOUR RECOVERY, BECKY. YOU'RE FAR FROM RECOVERED YET!

I KNOW! BUT I WILL BE, THANKS TO YOU!

MOM! COME ON, MOM — WAKE UP FOR DINNER!

GARFIELD

I SHOULD STOP PICKING ON JON

I SURE DO ENJOY BREATHING!

HOW NICE. HE HAS A HOBBY!

DOONESBURY

DENNIS THE MENACE

JUMBLE

OXUMB  
LENEK  
PIMAGE  
UMSCAP

BLONDIE

THIS SHOW IS REALLY DUMB! HE NEVER WOULD HAVE COME THAT!

AND SHE NEVER WOULD HAVE SAID THAT! HOW DUMB CAN YOU BE?

THIS WHOLE THING IS REAL DUMB!

THERE'S NOTHING ELSE GOOD ON TV!

I CALL MY SNAKE HOUDINI. HE CAN MAKE MARGARET DISAPPEAR!

CROSS

76 Roughage  
78 Bowler's woe  
81 Ridges between  
85 — or five  
86 Twelfth Night  
88 Simple wind  
89 Criffen's  
89 Criffen's  
90 Desdemona's  
91 Gorbachev in  
92 Shamrock lane  
93 London trolley  
94 Tic-toe  
95 Connector  
95 Beauty salon?  
99 Creek  
100 City in S France  
101 Desert jumper  
102 Desert jumper  
103 Tragi  
109 Propounds  
109 Almost to the  
110 Coalesce  
111 Gorbachev in  
117 "Jare  
118 Where concert  
119 Hindustani  
120 Kitchen  
121 A York river  
122 The sometime  
123 Rain words

DOWN

1 Outlet for N.Y.  
2 Only in Bonn  
3 Driver's main  
4 Gaul's chariot  
5 De — of 92  
6 G.I.'s  
7 Some coll.  
8 A Dadaist  
9 Ducks

July 13-14, 1991

SPORTS

In Los Angeles, Festival Goes Light on Olympians

By Christine Brennan
Washington Post Service
LOS ANGELES—The U.S. Olympic Festival is a massive event with a misleading name. The nation's only regularly scheduled multi-sport event, it is run on a \$15-million budget and has attracted more than 3,000 athletes for its 10-day run, beginning Friday in Dodger Stadium.



Fabio Parra of Colombia, grimacing in pain after a fall from his bicycle ended his Tour de France. He finished third in the 1988 Tour.

Marie Still First, LeMond in 4th

Compiled by Our Staff From Dispatches
ARGENTINA, France — Jean-Paul van Poppel of the Netherlands won Friday's seventh stage of the Tour de France in a mass finish, as Thierry Marie of France held onto the overall lead and three-time champion Greg LeMond dropped to fourth.

SIDELINES

Senna Reported Considering a Move

SILVERSTONE, England (AP)—Ayrton Senna of Brazil, leader of this year's Formula One drivers' standings, is reportedly considering switching from his McLaren-Honda team to Williams-Renault.

Australian Replaces Chatrier in ITF

HAMBURG (AP)—Brian Tobin of Australia was elected president of the International Tennis Federation on Friday.

Prognosis Uncertain for Umpire

DALLAS (AP)—Umpire Steve Palermo, recovering from a gunshot wound in the back sustained while helping two robbery victims, has "some degree of leg immobility" and will begin rehabilitation next week.

76ers Retrieve Shackelford From Italy

PHILADELPHIA (AP)—Center Charles Shackelford, who left the NBA to play in Italy, reached tentative agreement with the Philadelphia 76ers and was expected to sign Friday as a free agent.

For the Record

The Brazilian media lambasted the national soccer team on Friday after the squad tied, 1-1, with inexperienced Uruguay in the Copa America. The team's showing was called "almost grotesque" by the Journal do Brasil and a TV commentator said it was "the worst 10 minutes in the history of the Brazilian national team."

Bluegrass Blues: Calumet Farm Asks Bankruptcy Protection

By Joseph Durso
New York Times Service
NEW YORK — Calumet Farm, whose thoroughbreds have eight Kentucky Derbies and two Triple Crowns in half a century of success in breeding and racing, has filed for reorganization under bankruptcy laws.

family's continuing interest in keeping the farm and its glorious traditions intact. The action taken today will provide the protection needed to proceed with a sound and orderly plan which insures the best interests of Calumet and the entire thoroughbred industry.

By Nathaniel C. Nash
New York Times Service
BUENOS AIRES — To the roar of "Vamos, Willy!" Guillermo Vilas entered the court at the Buenos Aires Lawn Tennis Club earlier this year to begin the arduous and often heartbreaking journey temping many of the world's great aging athletes.

Vilas, at 38, Spins the Saga of a Comeback

Noah won in two sets. But there were flashes of the pensive poet-player who made tennis a national pastime and became this country's most enduring sports idol.

right away," he said. "This is different from the Borg strategy. It's not smart to jump right back into the big events before you're ready."

SCOREBOARD

Table with columns for Cycling (Tour de France), Football (Canadian League), and Baseball (Major League Standings). Includes team names, scores, and game details.

Table with columns for National League and American League. Includes team names, win/loss records, and game results.

Table with columns for Japanese Baseball. Includes team names, win/loss records, and game results.

Crossword puzzle grid with clues for Across and Down. Clues include '76 Roughage fanatic?', '10 Ad... (to a sickening degree)', '11 Chanson folley', etc.

Table Talk by Bert Rosenfield. A grid of numbers and words for a puzzle. Includes a 'Solution to Last Week's Puzzle' and 'Major League Leaders' table.

AT&T USADirect Service advertisement. Text: 'Calling the States when you're overseas has never been easier. All you have to do is dial a number to be connected to an AT&T Operator in the U.S. You can use your AT&T Calling Card or call collect.' Includes a table of international access numbers.

DAVE BARRY

Singin' in the AAAACK

M IAMI—Recently, there was a story in The New York Times (motto: "Our Motto Alone is Longer Than an Entire Edition of USA Today") stating that Americans are no longer any good at singing. This is the latest in a series of alarming news stories about things that Americans are no longer any good at, including: reading, writing, arithmetic and manufacturing any consumer product more technologically sophisticated than pizza.

Cyclist Marion Clignet, A Racer With a Cause

By Samuel Abt
International Herald Tribune
PARIS — Marion Clignet's calling card identifies her as a bicycle racer and a spokeswoman — two just another rider since she is the French women's road-race champion. And she is more than just another spokesperson since she is a crusader.



Cyclist Clignet seeks to spread better understanding of epilepsy.

start them on a cycle where the child would think he was stupid and therefore act stupid. I was trying to campaign against that but mostly educate the public."
With the support of the pharmaceutical company Ciba-Geigy, which remains her sponsor, she made a speaking tour of the United States. She continues to speak in France — hence the "spokesman" on her cycling card — but mainly she battles by example: The woman calling for understanding is, after all, wearing the blue, white and red jersey of a national champion.

PEOPLE

Trump and His Yacht: Sold or Repossessed?

Donald Trump says he has sold his luxury yacht, the Trump Princess, to the Boston Sea Deposit Trust Co. for \$42 million, \$15 million more than he paid Adam Khan to get it a few years ago.

Edward M. Kennedy Jr., the 29-year-old son of the Massachusetts senator, says he checked into a rehabilitation center because of a drinking problem. He said in a statement that he spent the last three weeks at the Institute of Living in Hartford, Conn., "based on my belief that continued use of alcohol is impairing my ability to achieve the goals I set about."

Here's a first for Britain's royal family. A nude photograph of Prince Andrew was splashed across the cover of Britain's Sunday Express on Friday. The photo of the prince, slipping in a Canadian river, was taken by a school friend seven years ago, 13 years before his marriage.

Philippine Health Secretary Alfredo Bengzon has been honored with the 1991 Ramon Magsaysay Award for government service. It was announced Friday in Manila. Bengzon was cited as a key figure in the struggle to oust the late dictator Ferdinand Marcos, and for tackling the Philippines' deep-seated health problems after joining President Corason Aquino's cabinet in 1986.

The singer and songwriter Carole Bayer Sager has been honored with the 1991 Grammy Award for her album "Carole Bayer Sager." The album was released in 1990 and features songs like "I Wanna Dance with Somebody (Who Loves Me)." She is the first woman to win the Grammy for Best Female Vocal Performance.

MONDAY SPORTS TOUR DE FRANCE Page 13 No. 33,709

Gorbachev Draws Sh... On Eve o...

By Tom Redburn
LONDON — Western leaders expressed widespread skepticism about President Mikhail Gorbachev's latest plan to overhaul the Soviet Union's sick economy.

Mr. Bush was speaking at a joint press conference with President Francisco Mitterrand in Rambouillet, France, where he stopped to wait for the G-7 conference.

Mr. Bush was speaking at a joint press conference with President Francisco Mitterrand in Rambouillet, France, where he stopped to wait for the G-7 conference.

That's what motivates me: because epilepsy was supposed to be an obstacle.

disorder indirectly started her down a road that has led this year to the French championship and victories in the Tour of the Drome and the Canadian Tire Cycling Classic.

She still had to get to her job at a health club more than 10 miles from home so she began traveling by bicycle. Then she started working out at the club and doing fitness programs. "One thing led to another and I got into racing."

INTERNATIONAL CLASSIFIED

Real Estate, Employment, Autos Tax Free, etc. Classified ads section.

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PERSONALS

Announcements, Fitness Trainer, Book Publisher, etc. Classified ads section.

FRIENDSHIPS

European international partnership agency, etc. Classified ads section.

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International Partnership Agency advertisement.

Introduction

Agency for companionship and marriage advertisement.

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MALE IMPOTENCE

Male impotence advertisement.

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Hosts in I... advertisement.

U.S. Peace Bid

U.S. Peace Bid advertisement.

General News

General News advertisement.